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**UNITED VENTURE FUND LTD.**  
44 King Street West, Toronto 1, Ontario

DIRECTORS

ALEX, McD, McBAIN

**JOHN M. GODFREY, Q.C.  
RODNEY S. C. DONALD**

ROBERT F. LYNCH  
CHAUNCEY L. WADDELL  
JACQUES DE BILLY, Q.C.  
J. M. RICHARD CORBET  
MÂURICE DÉSY, Q.C.  
GORDON E. EDDOLLS  
HORACE J. FRASER  
HENRY R. JACKMAN, Q.C.  
WALTER C. KOERNER  
GRAHAM M. MacLACHLAN  
DONALD McINNES, Q.C.  
JOE JACK MERRIMAN  
GEORGE H. SELLERS

## **OTHER OFFICERS**

JOHN WM. GALBRAITH  
RALPH HORNER  
STANLEY R. ANDERSON  
WILLIAM ROY MILLER  
EVELYN G. SCOTT  
GEORGE TIVILUK  
F. GARTH COLLINS  
PETER S. MACKECHNIE

## Investment Manager

UNITED FUNDS MANAGEMENT LTD. Toronto

Legal Counsel

CAMPBELL, GODFREY & LEWTAS Toronto

## Auditors

CLARKSON, GORDON & CO.      Toronto

**Exclusive Distributors**

UNITED INVESTMENT SERVICES LTD. Toronto  
UNITED INVESTMENT SERVICES  
(QUEBEC) LTD. Montreal

## **Bankers and Custodian**

# THE BANK OF NOVA SCOTIA

## **Registrar and Transfer Agent**

UNITED INVESTMENT SERVICES LTD. Toronto

## **Branch Registrar and Transfer Agent**

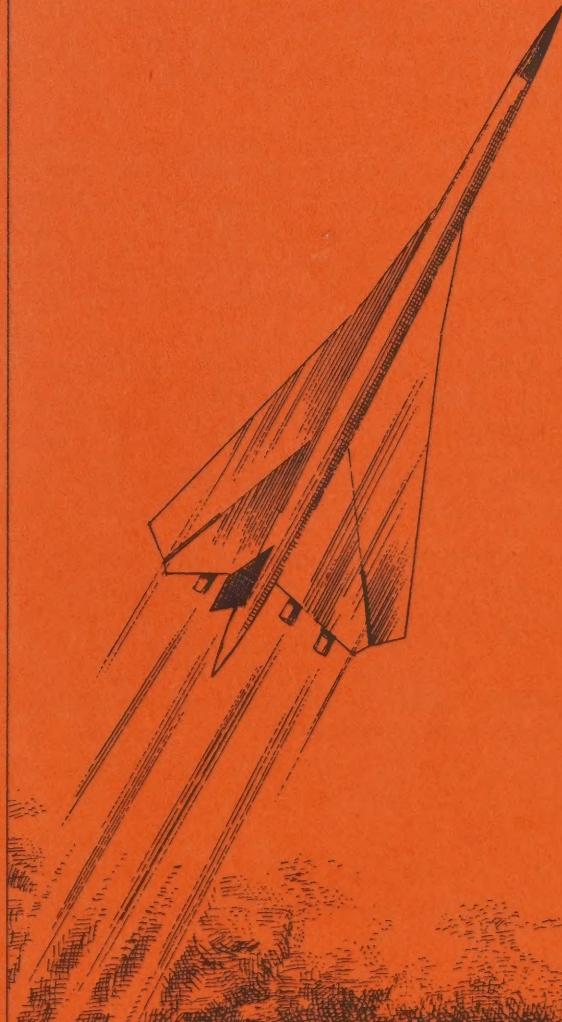
**CANADA PERMANENT TRUST COMPANY**  
Montreal, Halifax,  
Winnipeg, Calgary and Vancouver



# United Venture Fund Ltd.

## ANNUAL REPORT

**For the period ended November 30, 1968**





## UNITED VENTURE FUND LTD.

One of the newest members of the highly successful United group of mutual funds, United Venture Fund was established in December 1966 and its shares were offered for sale to the public for the first time in January 1968.

The primary objective of this fund is superior capital appreciation through timely investment in companies which United's professional investment management considers to have outstanding growth potential. Because the degree of risk involved is greater than in other United mutual funds, United Venture Fund is intended particularly for those who are able and willing to accept the added risk of having their money invested in more speculative issues where the opportunity for superior growth is also greater.

To indicate how well this fund has succeeded in reaching its objectives, United Venture Fund has consistently ranked at or near the top of the monthly survey of 150 major North American mutual funds' performances conducted by Laird Incorporated, a prominent U.S. investment house and member of the New York Stock Exchange.

The Portfolio of the Fund is under the full-time supervision of **United Funds Management Ltd.**, one of Canada's largest and most successful professional investment management organizations, with a proven record of success in managing investments totalling over one-half billion dollars.

Shares of United Venture Fund and of its two companion funds, United Accumulative Fund and United American Fund, are distributed exclusively outside the province of Quebec by **United Investment Services Ltd.**, with offices in most principal Canadian cities, and in the province of Quebec by an affiliated company, **United Investment Services (Quebec) Ltd.**

If you receive an extra copy of this Report, would you please pass it on to someone you know who might be interested in this Fund. The cost of completely preventing duplicate mailings to those with more than one account would far exceed the extra cost of printing and mailing.



ALEX. McD. MCBAIN,  
Chairman of the Board.



JOHN M. GODFREY,  
President.

### To The Shareholders:

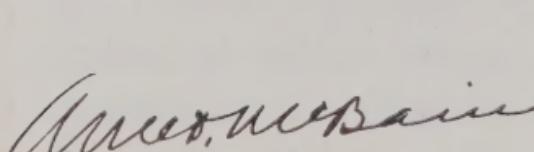
During the fiscal year ended November 30, 1968 net asset value per share of your Fund rose by 52.3%, and total net assets rose from \$354,624 to \$85,394,780. In the same period the Toronto Stock Exchange Industrial Index rose by 15.6%, and the Dow-Jones Industrial Index rose by 12.5%. Since the Fund was made available for sale to the public on Jan. 9, 1968, the gain in net asset value per share has been 41.4%.

These results give encouraging confirmation that the underlying aims of your Fund are sound. Its investment policy is to emphasize securities which carry a higher degree of risk than those of mature and seasoned companies, but which are also believed to offer the potential for unusually high rates of growth. Fortunately, the North American economy offers a wide and growing choice of companies of this kind, and the greatly increased investment being made in research and development offers promise that the range of growth opportunities available will continue to widen.

Wider realization of the potential of these new companies in growth industries has led to much keener public interest in this field, and it seems reasonable to expect that this will continue. A major factor in promoting this interest has been the high level of price increases in recent years, which has forcibly reminded investors that superior performance is required if the effects of inflation are to be offset. There has also been a growing realization of the importance of professional investment management, and it is now much more widely appreciated that constant surveillance by professionals in this field is necessary in a fast-changing world and may well be safer for the investor than mere reliance on the stability of large established companies.

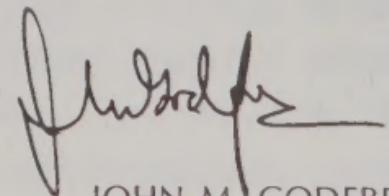
One consequence of the gratifying acceptance of your Fund by investors has been that its portfolio now represents a large number of different industries and companies. Since many of the companies which satisfy the requirements of the Fund's investment policy are fairly small, it is likely that the portfolio will continue to be widely diversified, and this does have the effect of reducing the degree of risk. As the new fiscal year begins, the general economic outlook in both Canada and the United States remains satisfactory, and your management expects that the supply of interesting opportunities for this Fund should continue to be abundant.

Respectfully submitted,



ALEX. McD. MCBAIN

Chairman of the Board

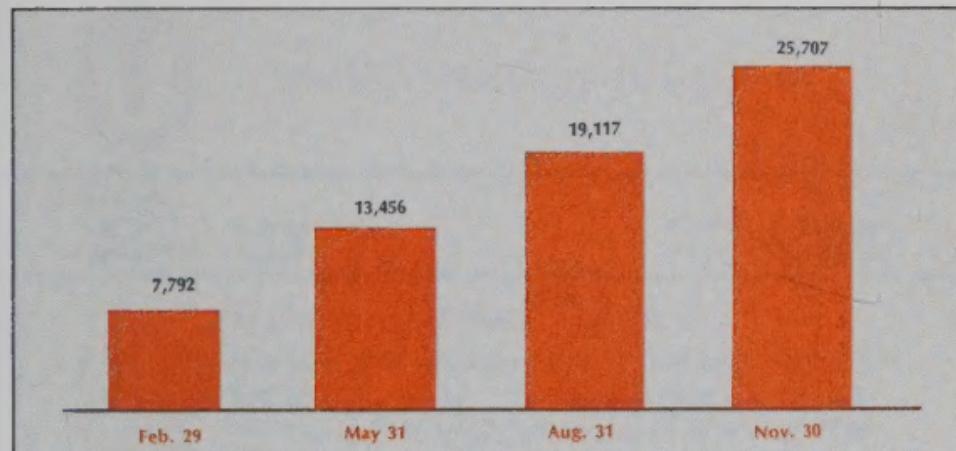


JOHN M. GODFREY

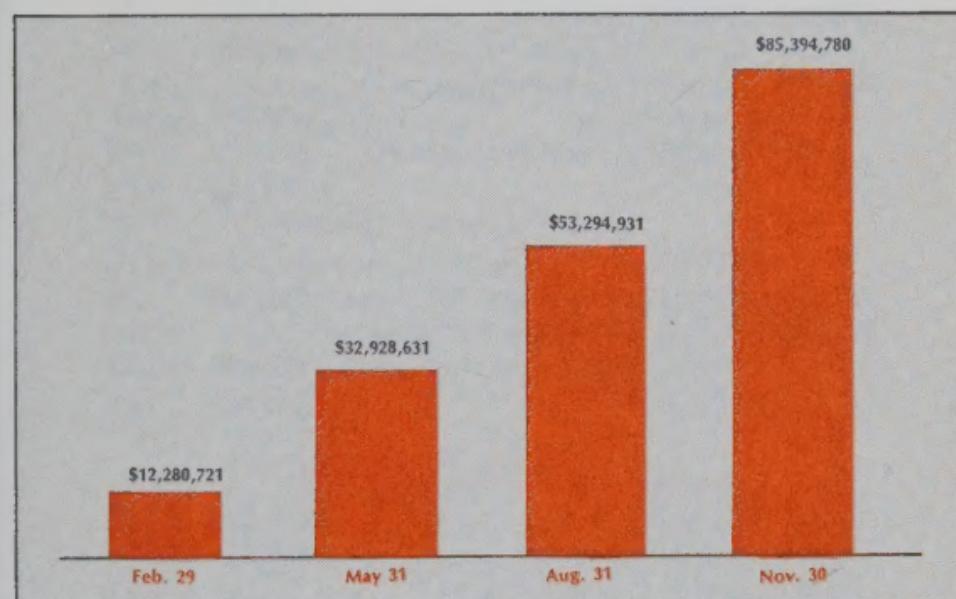
President

Toronto, Ontario,  
December 5, 1968

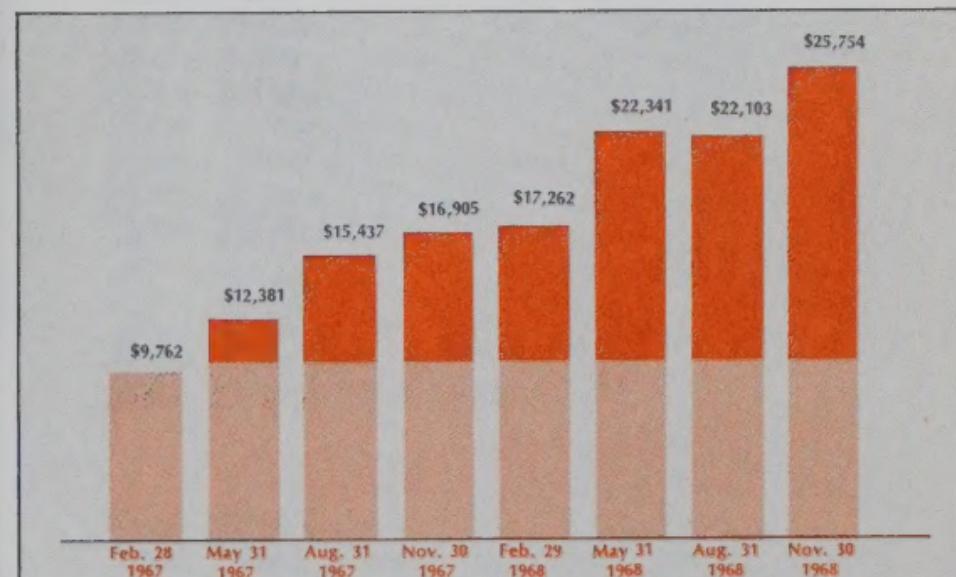
## SHAREHOLDER ACCOUNTS — 1968



## TOTAL NET ASSETS — 1968



## INVESTMENT PERFORMANCE



Initial Investment

Capital Appreciation and Income Compounded

This chart shows how an assumed \$10,000 investment in United Venture Fund would have grown from January 2, 1967 to November 30, 1968 with current acquisition fees deducted. (Actually, shares of this fund were first offered to the public in January, 1968.)



## UNITED VENTURE FUND LTD.

Number of Shares		Market Value	Percent of Net Assets
COMMON STOCKS			
<b>Air Transportation: 8.90%</b>			
15,000	A I T S Inc. (a)	\$ 1,431,787	1.68%
50,000	American Air Lines	1,937,203	.22
85,600	Pan American World Airways	2,708,277	3.17
25,000	Trans-East Airlines (a)	224,555	.26
27,000	United Air Lines	1,299,468	1.52
		7,601,290	8.90
<b>Apparel and Shoes: 1.73%</b>			
30,000	J. D. Carrier Shoe, warrants (a)	225,000	.26
16,533	Fairfield Noble	476,537	.56
30,000	Originala Inc.	780,244	.91
		1,481,781	1.73
<b>Building and Furnishing: 6.90%</b>			
18,500	Atco Industries	444,000	.52
25,000	Beaver Lumber	525,000	.61
60,000	Block Bros. Industries	1,207,500	1.41
18,000	Fedders Corporation	1,158,300	1.36
4,100	Giffin Industries (a)	281,424	.33
11,850	Masco Corporation	589,385	.69
90,000	Revenue Properties	1,687,500	1.98
		5,893,109	6.90
<b>Business Machines and Forms: 17.45%</b>			
23,000	Applied Data Research (a)	863,362	1.01
20,300	Computel Systems (a)	1,015,000	1.19
25,000	Computer Industries (a) (b)	1,458,600	1.71
1,500	Computer Industries (a)	109,395	.13
20,000	Control Data	3,386,419	3.97
166	Corporation S (a)	9,436	.01
4,000	Digital Equipment	703,560	.82
15,000	Electronic Memories (a)	925,031	1.08
23,000	Farrington Manufacturing (a)	955,865	1.12
100	Graphic Controls (a)	3,083	—
2,600	International Business Machines	930,662	1.09
2,166	Recognition Equipment (a)	193,973	.23
5,000	Scientific Data Systems	545,634	.64
10,000	Telecredit Inc. (a)	364,650	.43
18,300	University Computing (a)	3,434,681	4.02
		14,899,351	17.45
<b>Chemical: 1.16%</b>			
6,100	American Enka	366,366	.43
8,600	Elcor Chemical	489,998	.57
2,000	Nalco Chemical	132,990	.16
		989,354	1.16
<b>Communications and Entertainment: 3.43%</b>			
40,000	Bushnell T.V. (a)	760,000	.89
30,000	Doyle Dane Bernbach "A" (a)	981,337	1.15
3,075	Famous Players Canadian	230,625	.27
20,000	Reeves Broadcasting	748,068	.87
17,500	Standard Broadcasting	212,187	.25
		2,932,217	3.43

# Investment Portfolio

NOVEMBER 30, 1968

Number of Shares		Market Value	Percent of Net Assets
<b>PREFERRED STOCKS: 2.06%</b>			
20,000	I.T.L. Industries "B" (a)	\$ 500,000	.59%
1,000	Leigh Instruments "A"		
	\$ 2.60 (a)	69,000	.08
12,150	Pennzoil United \$1.33 (b)	1,185,810	1.39
		<u>1,754,810</u>	<u>2.06</u>
<b>CONVERTIBLE DEBENTURES: 2.73% (a)</b>			
	<b>Par Value</b>		
Applied Data Research, 6%, 1983	US \$ 50,000	74,539	.09
Block Bros. Industries, 6 1/2%, 1988	\$ 100,000	119,000	.14
Bramalea Consolidated Development, 7 1/2%, 1988	\$ 250,000	375,000	.44
Chester Electronic Laboratories, 5 5/8%, 1987	US \$ .61,000	78,834	.09
Computel Systems, 6%, 1988	\$ 118,000	165,200	.19
Graphic Controls, 4 3/4%, 1987	US \$ 64,000	78,593	.09
Oshawa Wholesale, 5 1/2%, 1986	\$ 105,000	328,125	.39
Pennsylvania Engineering, 5%, 1993	US \$ 250,000	305,663	.36
Tyco Laboratories, 5 7/8%, 1988	US \$ 79,000	87,693	.10
United States Smelting, Refining & Mining, 5 3/4%, 1993	US \$ 215,000	241,541	.28
Whittaker Corporation, 4 1/2%, 1988	US \$ 440,000	475,439	.56
		<u>2,329,627</u>	<u>2.73</u>
<b>NON-CONVERTIBLE DEBENTURES: .08% (a)</b>			
Computel Systems, 9%, 1975	\$ 74,000	71,780	.08
<b>SHORT TERM NOTES: 4.62% (a)</b>			
Alberta Municipal Financing, 6.5%, Feb. 12, 1969	\$ 2,000,000	1,968,100	2.30
International Harvester Credit 6.573%, Jan. 15, 1969	\$ 1,000,000	988,959	1.16
6.574%, Jan. 16, 1969	\$ 1,000,000	988,781	1.16
		<u>3,945,840</u>	<u>4.62</u>
<b>TOTAL MARKET VALUE OF PORTFOLIO</b>		<b>\$80,469,581</b>	<b>94.23%</b>

**Notes:**

- (a) Securities for which the market value is based on over-the-counter prices. The market value for all other securities set forth above is based on the closing price on November 29, 1968, reported by the principal security exchange on which the issue is traded or, if there was no sale during that day at the average of the closing bid and asked prices, except for those securities mentioned in note (b).
- (b) Securities where the market value has been reduced by the discount obtained at the time of purchase resulting from temporary restrictions that would apply on the sale of these shares.
- (c) Closing prices for foreign securities have been translated into Canadian funds at the closing rate of exchange on November 29, 1968.
- (d) Other securities consist of holdings where the ultimate position has not as yet been achieved.

# UNITED VENTURE FUND LTD.

(Incorporated under the laws of Canada)

## Assets and Liabilities

November 30, 1968

### ASSETS:

Investment securities at market value (average cost \$65,229 (see accompanying schedule)
Cash .....
Accounts receivable:
Investment securities sold .....
Shares sold .....
Dividends and accrued interest receivable .....

### LIABILITIES:

Accounts payable:
Investment securities purchased .....
Shares redeemed .....
Other .....
Income taxes payable .....
Net assets applicable to 13,155,052 mutual fund shares \$6.49 per share .....

## Capital Shares and Surplus

November 30, 1968

### CAPITAL SHARES (Note 2):

#### Authorized —

1,000 common shares of \$1.00 par value each
30,000,000 mutual fund shares (less 1,679,618 shares redeemed and cancelled) of \$1.00 par value each

#### Outstanding —

13,155,052 mutual fund shares .....
-------------------------------------

### SURPLUS:

Paid-in surplus .....
Undistributed net income .....
Accumulated realized loss on sale of investments .....
Total capital shares and surplus .....
Unrealized appreciation of investments .....

On behalf of the Board:

Alex. McD. McBain, Director  
R. S. C. Donald, Director



See accompanying notes.

# UNITED VENTURE FUND LTD.

## Statement of Changes in Net Assets

for the year ended November 30, 1968

Net assets November 30, 1967, represented by:

Common shares .....
Mutual fund shares .....
Paid-in surplus .....
Accumulated realized gain on sale of investments .....
Unrealized appreciation of investments .....

Changes during the year:

Income —

Net income for the year .....
-------------------------------

Capital —

Receipts and payments on account of share capital (note 2) —
---

For 14,751,495 mutual fund shares issued .....
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For 1,679,618 mutual fund shares and 5 common shares redeemed and cancelled .....
--

Realized loss on sale of investments —

Proceeds from sales (excluding short term note redemptions of \$15,853,987) .....
--

Aggregate cost .....
----------------------

Increase in unrealized appreciation of investments .....
--

Net assets November 30, 1968, represented by:

Mutual fund shares .....
Paid-in surplus .....
Undistributed net income .....
Accumulated realized loss on sale of investments .....
Unrealized appreciation of investments .....



		5
	83,175	
	166,815	
	55,041	
	<u>49,588</u>	\$ 354,624
		165,411
	79,083,482	
	<u>9,334,435</u>	69,749,047
	8,266,285	
	<u>8,330,585</u>	(64,300)
	<u>15,189,998</u>	<u>84,874,745</u>
	13,155,052	
	56,843,990	
	165,411	
	(9,259)	
	<u>15,239,586</u>	
		<u>\$85,394,780</u>

See accompanying notes

# UNITED VENTURE FUND LTD.

## Statement of Income and Expense

for the year ended November 30, 1968

### INCOME:

Dividends .....  
Interest .....

### EXPENSE:

Management fees (note 3) .....

Net income before taxes .....;  
Income taxes .....  
Net income .....

## Statement of Per-share Income and Capital Changes

(for a share outstanding throughout the year)  
For the two years ended November 30, 1968

Year ended Nov. 30	Net asset value at beginning of year	Dividends and interest from investments
1967 *	\$2.30	\$.02
1968	4.26	.05

\* The fund was incorporated on November 14, 1966 but did not commence operations until December 30, 1966.



.....	\$191,744
.....	459,533
	<hr/>
	651,277
.....	<hr/>
.....	331,866
.....	319,411
.....	154,000
	<hr/>
	\$165,411
	<hr/>

**N C O M E**

Management fee and income taxes	Net income
\$.02	\$.00
.04	.01

**C A P I T A L**

Net realized and unrealized gain on investments	Net asset value at end of year
\$1.96	\$4.26
2.22	6.49

See accompanying notes

## AUDITORS' REPORT

### To the Shareholders of United Venture Fund Ltd.

We have examined the financial statements, listed below, of United Venture Fund Ltd. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances. Securities owned at November 30, 1968 were verified by confirmation received directly either from the custodian or from brokers in respect of securities purchased but not received.

In our opinion, the financial statements listed below present fairly the financial position and investment portfolio of the company as at November 30, 1968, the results of its operations for the year then ended and the per-share income and capital changes for the two years then ended in accordance with generally accepted accounting principles applied on a consistent basis throughout the periods indicated.

Toronto, Canada,  
December 16, 1968.

CLARKSON, GORDON & CO.  
Chartered Accountants

Financial statements covered by report of Chartered Accountants:

At November 30, 1968 —

Assets and liabilities  
Capital shares and surplus  
Investment portfolio

For the year ended November 30, 1968 —

Income and expense  
Changes in net assets

For the two years ended November 30, 1968 —

Per-share income and capital changes

### NOTES TO FINANCIAL STATEMENTS NOVEMBER 30, 1968

1. Foreign currency amounts included in the financial statements have been translated into Canadian dollars on the following bases:
  - (a) Market value of investment securities, other assets and liabilities at the closing rate of exchange at November 29, 1968.

(b) Purchases and sales of investment securities, income and expenses at the approximate rate of exchange prevailing on the respective dates of such transactions.

2. During the year the company received supplementary letters patent increasing the authorized capital of the company from \$3,001,000 to \$30,001,000 by the creation of an additional 27,000,000 mutual fund shares. In addition the 5 common shares outstanding at November 30, 1967 were cancelled and the authorized capital was increased by the creation of a further 5 common shares.

The issue price of each mutual fund share is an amount equal to the aggregate of the net asset value of each share outstanding at the date of issue (received by the company) and the distributor's commission (retained by the distributor). During the year ended November 30, 1968, 14,751,495 mutual fund shares were issued for cash aggregating \$79,083,482 of which \$14,751,495 equivalent to the par value of the shares sold, was allocated to share capital and the balance \$64,331,987 to paid-in surplus. The mutual fund shares of the company are redeemable at the option of the holder at their net asset value. During the year, the company redeemed 1,679,618 mutual fund shares for an aggregate amount of \$9,334,430 of which \$1,679,618, equivalent to the par value of the shares redeemed, was allocated to share capital and the balance, \$7,654,812 to paid-in surplus.

3. Management fees payable to United Funds Management Ltd. have been computed on the basis of 1% per annum of the average daily net assets. For these fees United Funds Management Ltd. pays all expenses of the Fund incurred in the ordinary course of business relating to its organization, management and operation with the exception of the commissions and brokerage fees on the purchase and on the sale of securities in the portfolio and the taxes of all kinds to which the fund is or might be subject.
4. The financial statements do not include comparative figures for the year ended November 30, 1967, as it is the company's view that incorrect conclusions might be drawn from comparative figures due to continuous issuing of additional shares. It is the company's opinion that the statement of per-share income and capital changes provides a more informative measure of the company's progress as it relates to the individual shareholders.

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RODNEY S. C. DONALD	Executive	
ROBERT F. LYNCH	Vice-President	Toronto
CHAUNCEY L. WADDELL	Vice-President	New York
JACQUES de BILLY, Q.C.	Vice-President	New York
J. M. RICHARD CORBET		Quebec
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RALPH HORNER	Vice-President
STANLEY R. ANDERSON	Secretary
WILLIAM ROY MILLER	Treasurer
EVELYN G. SCOTT	Assistant Secretary
GEORGE TIVILUK	Assistant Secretary
F. GARTH COLLINS	Assistant Treasurer
PETER S. MACKECHNIE	Assistant Treasurer

## Investment Manage

## UNITED FUNDS MANAGEMENT LTD

Toronto

## Legal Counsel

CAMPBELL, GODFREY & LEWIS

Toronto

## Auditors

**CLARKSON, GORDON & CO.**

Toronto

### **Exclusive Distributors**

## UNITED INVESTMENT SERVICES LTD

Toronto

## UNITED INVESTMENT SERVICE (QUEBEC) LTD.

1401

### **Results and Conclusions**

**THE BANK OF NOVA SCOTIA**

Tome 3

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JOE JACK MERRIMAN, Kansas City  
GEORGE H. SELLERS, Winnipeg

Investment Manager	UNITED FUNDS MANAGEMENT LTD. Toronto
Legal Counsel	CAMPBELL, GODFREY & LEWTAS Toronto
Auditors	CLARKSON, GORDON & CO. Toronto
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GEORGE H. SELLERS

Chairman of the Board	Toronto
President Executive	Toronto
Vice-President	Toronto
Vice-President	New York
Vice-President	New York
	Quebec
	Toronto
	Montreal
	Toronto
	Toronto
	Toronto
	Vancouver
	Toronto
	Halifax
	Kansas City
	Winnipeg

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PETER S. MACKECHNIE

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Vice-President	
Secretary	
Treasurer	
Assistant Secretary	
Assistant Secretary	
Assistant Treasurer	
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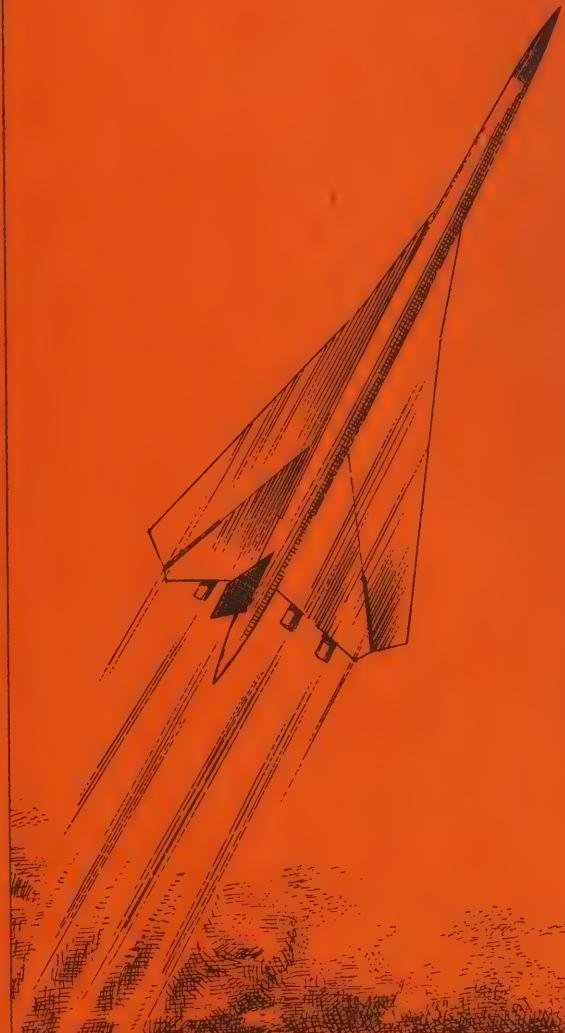
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For the period ended November 30, 1968





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**Investment Manager** UNITED FUNDS MANAGEMENT LTD.  
Toronto

**Legal Counsel** CAMPBELL, GODFREY & LEWTAS  
Toronto

**Auditors** CLARKSON, GORDON & CO.  
Toronto

**Exclusive Distributors** UNITED INVESTMENT  
SERVICES LTD.  
Toronto  
UNITED INVESTMENT  
SERVICES (QUEBEC) LTD.  
Montreal

**Bankers and Custodian** THE BANK OF NOVA SCOTIA  
Toronto

**Registrar  
and Transfer Agent** UNITED INVESTMENT  
SERVICES LTD.  
Toronto

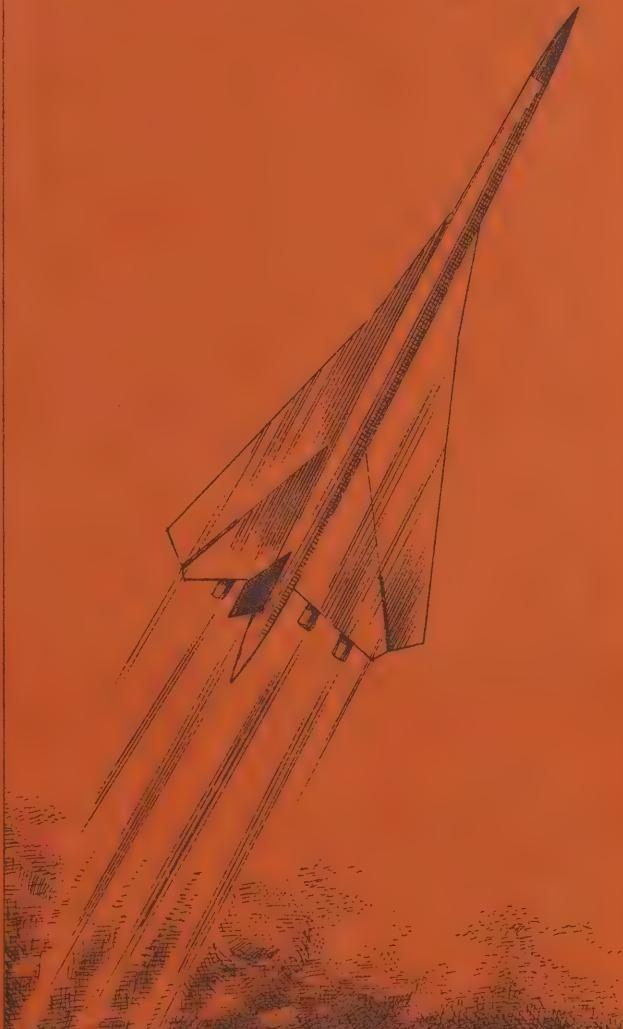
**Branch Registrar and  
Transfer Agent** CANADA PERMANENT  
TRUST COMPANY  
Montreal, Halifax,  
Winnipeg, Calgary and  
Vancouver



## United Venture Fund Ltd.

### SEMI-ANNUAL REPORT

For the six months ended May 31, 1968



Toronto, Ontario  
May 31, 1968

### TO THE SHAREHOLDERS:

The quarter ended 31st May was one of rapid development for your Fund. Net asset value per share rose by 29.7%, from \$4.34 to \$5.63, and total net assets more than doubled, from \$12,280,721 to \$32,928,631.

After maintaining an unusually high cash reserve during January and February your management accelerated purchases of common stocks at the lower prices which prevailed in March, and continued to emphasize companies which offer the opportunity to participate in new discoveries and developments. The year 1968 has so far been an exceptionally eventful one in world finance, and there is every sign that there will be further significant changes in coming months. Your management believes that the world financial system is going through a period of major readjustment, and that the outcome may well be that the forces of inflation will become even more powerful than they have been in the last twenty years. It is evident that investor attitudes continue to be sharply affected by the decline in the purchasing power of money, and that the value of common stocks as an inflation hedge is ever more widely recognized. In these circumstances, the merits of companies offering equity participation in new developments tend to be quickly recognized, and the environment for the venture investor is favourable. At the same time, continuing heavy outlays on research and development should help to assure a flow of new and even more diversified opportunities for those who can seek them out.

Respectfully submitted,

*Alex. McD. McBain*  
Alex. McD. McBain,  
Chairman of the Board.

*John M. Godfrey*  
John M. Godfrey,  
President.

### STATEMENT OF INCOME AND EXPENSE

For the six months ended May 31, 1968

#### INCOME:

Dividends .....	\$ 35,989
Interest .....	100,897
	136,886

#### EXPENSE:

Management fees .....	59,017
NET INCOME BEFORE TAXES .....	77,869
INCOME TAXES .....	36,900
NET INCOME .....	\$ 40,969

The statements of income and expense and changes in net assets directly comparable due to the continuous issuing of additional shares forth below provides a more informative measure of the company's performance.

### STATEMENT OF PER-SHARE INCOME AND CAPITAL CHANGE

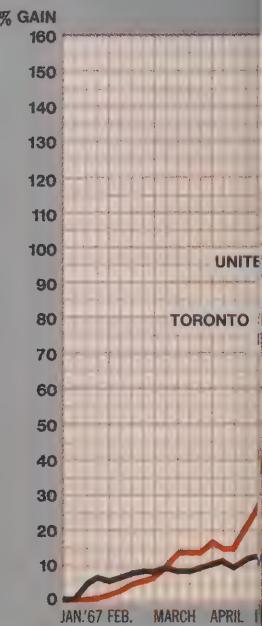
(for a share outstanding throughout the period)  
For the one year and six months ended May 31, 1968

	Net asset value at beginning of period	Dividends and interest from investments
*Year ended November 30, 1967	\$ 2.30	\$ .02
6 months ended May 31, 1968	4.26	.03

\*The fund was incorporated on November 14, 1966 but did not commence

Performance record  
of United Venture  
Fund Ltd. since its  
inception, as com-  
pared with the  
Toronto Stock Ex-  
change Industrial  
Index for the same  
period:

While past per-  
formance is no  
guarantee of how  
well the Fund will  
do in the future,  
the prospects of  
the management  
company's ability  
to continue to  
select better than  
average investment  
opportunities are  
very promising.



## STATEMENT OF CHANGES IN NET ASSETS

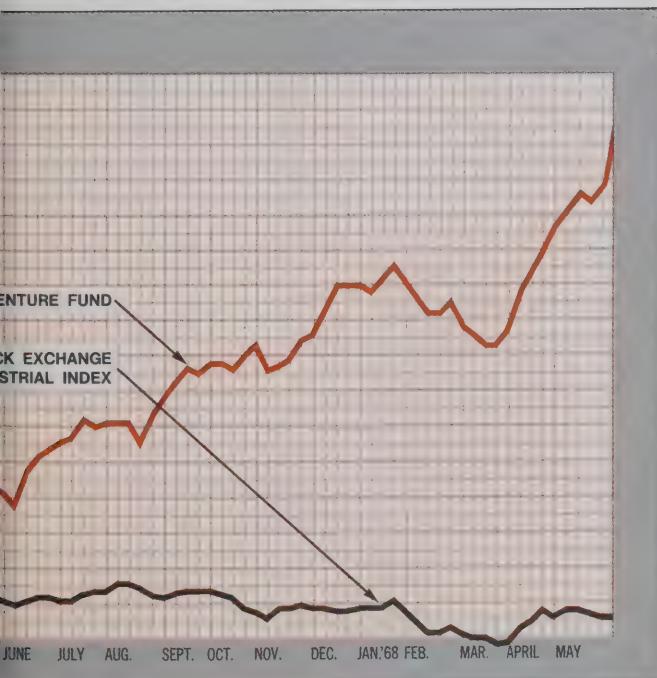
For the six months ended May 31, 1968

NET ASSETS, November 30, 1967 .....	\$ 354,624
Proceeds from the sale of 6,231,308 mutual fund shares .....	29,535,779
Net income .....	40,969
Realized gain on sale of investments .....	217,609
Unrealized appreciation of investments .....	5,052,095
	<u>35,201,076</u>
Less:	
Cost of 461,205 mutual fund shares redeemed .....	2,272,440
Cost of 5 common shares redeemed .....	5
	<u>2,272,445</u>
NET ASSETS, May 31, 1968 .....	<u>\$32,928,631</u>

not include figures for the preceding year, as they are not s. The statement of Per-Share Income and Capital Changes set progress as it relates to the individual shareholder.

INCOME		CAPITAL	
Management Fee and income taxes	Net income	Net realized and unrealized gain on investments	Net asset value at end of period
\$ .02	\$ .00	\$1.96	\$4.26
.02	.01	1.36	5.63
	<u>\$ .01</u>	<u>\$3.32</u>	

erations until December 30, 1966.



## UNITED VENTURE FUND LTD.

One of the newest members of the highly successful United group of mutual funds, United Venture Fund was established in December 1966 and its shares were offered for sale to the public for the first time in January 1968.

The primary objective of this fund is accelerated capital appreciation through timely investment in companies which United's professional investment management considers to have superior growth potential. Because the degree of risk involved is considerably greater than in other United Mutual Funds, United Venture Fund is intended particularly for those who are able and willing to accept the added risk of having their money invested in more speculative issues where the opportunity for substantial accelerated growth is also greater.

The Portfolio of the Fund is under the full-time supervision of **United Funds Management Ltd.**, one of Canada's largest and most successful professional investment management organizations, with a proven record of success in managing investments totalling over four hundred million dollars.

Shares of United Venture Fund and of its two companion funds, United Accumulative Fund and United American Fund, are distributed exclusively outside the province of Quebec by **United Investment Services Ltd.**, with offices in most principal cities, and in the province of Quebec by an affiliated company, **United Investment Services (Quebec) Ltd.**

If you receive an extra copy of this Report, would you please pass it on to someone you know who might be interested in our Fund. The cost of completely preventing duplicate mailings to those with more than one account would far exceed the extra cost of printing and mailing.



Number of Shares or Par Value	Market Value	Percent of Net Assets	Number of Shares or Par Value	Market Value	Percent of Net Assets																																																																																																																																																																																																																																																																																																																																																																																																																										
<b>COMMON STOCKS: 75.11%</b>																																																																																																																																																																																																																																																																																																																																																																																																																															
<b>Aerospace: 2.22%</b>																																																																																																																																																																																																																																																																																																																																																																																																																															
5,000 Helio Aircraft .....	\$ 52,543	.16%	10,000 Hyatt Corp. ....	786,803	.239																																																																																																																																																																																																																																																																																																																																																																																																																										
6,500 Sundstrand Corp. ....	594,616	1.80	4,600 Western International Hotels .....	180,965	.55																																																																																																																																																																																																																																																																																																																																																																																																																										
300 Wyman & Gordon .....	84,878	.26																																																																																																																																																																																																																																																																																																																																																																																																																													
<b>Air Transportation: 1.51%</b>																																																																																																																																																																																																																																																																																																																																																																																																																															
2,500 A I T S Inc. ....	117,212	.36	2,000 Bio-Dynamics .....	212,329	.64																																																																																																																																																																																																																																																																																																																																																																																																																										
5,000 Eastern Air Lines .....	191,986	.58	7,500 Medtronic Inc. ....	630,520	1.92																																																																																																																																																																																																																																																																																																																																																																																																																										
25,000 Trans-East Airlines .....	188,617	.57																																																																																																																																																																																																																																																																																																																																																																																																																													
<b>Building Supplies and Furnishings: 5.94%</b>																																																																																																																																																																																																																																																																																																																																																																																																																															
20,000 Beaver Lumber .....	307,500	.94	1,000 Beryllium Corporation of America ..	32,604	.10																																																																																																																																																																																																																																																																																																																																																																																																																										
14,000 Fedders Corp. ....	565,852	1.72	10,000 Brenda Mines .....	82,000	.25																																																																																																																																																																																																																																																																																																																																																																																																																										
7,900 Masco Corp. ....	491,725	1.49	3,000 Brush Beryllium .....	124,083	.38																																																																																																																																																																																																																																																																																																																																																																																																																										
10,000 Ozite Corp. ....	590,102	1.79	3,800 Chromalloy American .....	186,354	.57																																																																																																																																																																																																																																																																																																																																																																																																																										
<b>Business Machines and Forms: 15.42%</b>																																																																																																																																																																																																																																																																																																																																																																																																																															
14,800 Computer Systems .....	310,800	.94	1,000 Leitch Gold Mines .....	9,200	.02																																																																																																																																																																																																																																																																																																																																																																																																																										
2,800 Control Data .....	473,806	1.44																																																																																																																																																																																																																																																																																																																																																																																																																													
10,000 Electronic Memories .....	557,768	1.69	<b>Hotels: 2.94%</b>																																																																																																																																																																																																																																																																																																																																																																																																																												
15,900 Farrington Manufacturing .....	852,577	2.59	100 Graphic Controls .....	3,799	.01	10,000 Hyatt Corp. ....	786,803	.239	2,600 International Business Machines ...	1,000,426	3.04	4,600 Western International Hotels .....	180,965	.55	2,000 Recognition Equipment .....	196,162	.60				13,000 University Computing .....	1,681,387	5.11	<b>Medical Equipment: 2.56%</b>						<b>Chemical: 2.91%</b>						5,300 Elcor Chemical .....	339,888	1.03	2,000 Bio-Dynamics .....	212,329	.64	15,000 Na-Churs International .....	506,250	1.54	7,500 Medtronic Inc. ....	630,520	1.92	2,000 Nalco Chemical .....	112,362	.34				<b>Communications and Entertainment: 3.04%</b>						2,900 CHUM Ltd. "A" .....	53,288	.16	<b>Metals and Mining: 1.32%</b>						15,000 Doyle Dane Bernbach "A" .....	551,705	1.67	2,000 Esquire Inc. ....	65,747	.20	1,000 Beryllium Corporation of America ..	32,604	.10	3,075 Famous Players .....	159,900	.49	10,000 Brenda Mines .....	82,000	.25	3,500 Standard Radio .....	169,750	.52	3,000 Brush Beryllium .....	124,083	.38	<b>Diversified Companies: 4.14%</b>						2,000 A.M.K. Corp. ....	204,784	.62	3,800 Chromalloy American .....	186,354	.57	6,000 Donlee Manufacturing Industries ...	89,250	.27	1,000 Leitch Gold Mines .....	9,200	.02	15,900 Keene Corp. ....	612,656	1.86				1,200 Pioneer Systems .....	53,028	.16	<b>Petroleum: .23%</b>						5,020 Republic Corp. ....	403,768	1.23	<b>Photography and Optical: 4.46%</b>						<b>Electronics: 2.22%</b>						100 Duncan Electric "B" .....	3,665	.01	9,200 Calandra Photo "A" .....	252,855	.77	5,000 Fairchild Camera & Instrument ...	392,054	1.19	1,200 Itek Corp. ....	153,912	.47	6,000 National Semiconductor .....	278,076	.85	400 Kalvar Corp. ....	104,764	.32	500 Tyco Laboratories .....	56,922	.17	6,000 Perfect Film & Chemical .....	549,684	1.67	<b>Engineering Products: 3.63%</b>			15,000 Technicolor Inc. ....	549,684	1.67	5,000 Birdsboro Corp. ....	152,241	.46	19,700 Viewlex Inc. "A" .....	514,898	1.56	2,500 General Impact Extrusions .....	25,000	.08				11,700 I.T.L. Industries .....	226,688	.69	<b>Publishing and Education: .33%</b>						47,500 Pennsylvania Engineering .....	711,356	2.16	2,400 Chester Electronic Laboratories ...	74,369	.22	<b>Technology: 3.06%</b>						4,000 Wadell Equipment .....	80,297	.24	2,000 G. P. Putnams & Sons .....	35,838	.11	<b>Miscellaneous: 8.04%</b>						<b>Diversified Companies: 4.14%</b>			7,500 Gulton Industries .....	395,086	1.20	2,000 A.M.K. Corp. ....	204,784	.62	4,300 Leigh Instruments .....	169,313	.51	6,000 Donlee Manufacturing Industries ...	89,250	.27	2,000 Talley Industries .....	173,258	.53	15,900 Keene Corp. ....	612,656	1.86	3,000 Whittaker Corp. ....	269,184	.82	1,200 Pioneer Systems .....	53,028	.16				5,020 Republic Corp. ....	403,768	1.23	<b>A.P.L. Corp.: .03%</b>						<b>Electronics: 2.22%</b>			300 A.P.L. Corp. ....	8,892	.03	100 Duncan Electric "B" .....	3,665	.01	4,000 American Institutional Developers ..	190,773	.58	5,000 Fairchild Camera & Instrument ...	392,054	1.19	10,000 Atco Industries .....	95,000	.29	6,000 National Semiconductor .....	278,076	.85	240,000 Finsider, warrants .....	20,694	.07	500 Tyco Laboratories .....	56,922	.17	8,000 Fisher Scientific .....	267,298	.81	<b>Engineering Products: 3.63%</b>			10,000 General Time .....	421,694	1.28	5,000 Birdsboro Corp. ....	152,241	.46	4,000 INA Corp. ....	140,654	.43	2,500 General Impact Extrusions .....	25,000	.08	10,000 Midas International "A" .....	625,131	1.90	11,700 I.T.L. Industries .....	226,688	.69	7,000 Moore & McCormack .....	215,967	.66	47,500 Pennsylvania Engineering .....	711,356	2.16	18,500 Originals Inc. ....	660,498	1.99	4,000 Wadell Equipment .....	80,297	.24				<b>Financial: 1.55%</b>			<b>Preferred Stocks: 3.28%</b>						2,900 C.N.A. Financial .....	116,431	.35	5,000 C.N.A. Financial .....	116,431	.35	1,000 Leigh Instruments "A" \$2.60 .....	63,500	.19	25,000 Imperial Corporation of America ..	282,926	.86	2,000 Commercial Credit .....	112,092	.34	4,050 Pennzoil United Inc. \$4.00 .....	1,014,895	3.09	<b>Food and Merchandising: 7.59%</b>						14,000 Crush International .....	225,750	.69	<b>Convertible Debentures: 1.27%</b>						7,000 Jostens Inc. ....	256,519	.78	(Thousands)	US \$ 64 Graphic Controls, 4 1/4%, 1987 .....	87,604	.27	10,000 Kentucky Fried Chicken .....	895,932	2.72	(Thousands)	US \$ 79 Tyco Laboratories, 5 1/2%, 1988 .....	88,979	.27	10,000 Lum's Inc. ....	619,742	1.88	(Thousands)	US \$ 215 United States Smelting, Refining & Mining, 5 3/4%, 1993 .....	243,026	.73	12,000 Maine Sugar Industries .....	203,707	.62				10,000 Volume Merchandise .....	296,398	.90	<b>Non-Convertible Debentures: .22%</b>							\$ 74 Computel Systems, 9%, 1975 .....	74,000	.22		\$ 4,000 Short-Term Notes 12.05% .....	3,966,602	12.05		Net Cash and Receivables 8.07% ..	2,658,543	8.07		Net Assets .....	\$32,928,631	100.00%		Net Asset Value per Share .....	\$5.63	
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15,000 Doyle Dane Bernbach "A" .....	551,705	1.67	2,000 Esquire Inc. ....	65,747	.20	1,000 Beryllium Corporation of America ..	32,604	.10	3,075 Famous Players .....	159,900	.49	10,000 Brenda Mines .....	82,000	.25	3,500 Standard Radio .....	169,750	.52	3,000 Brush Beryllium .....	124,083	.38	<b>Diversified Companies: 4.14%</b>						2,000 A.M.K. Corp. ....	204,784	.62	3,800 Chromalloy American .....	186,354	.57	6,000 Donlee Manufacturing Industries ...	89,250	.27	1,000 Leitch Gold Mines .....	9,200	.02	15,900 Keene Corp. ....	612,656	1.86				1,200 Pioneer Systems .....	53,028	.16	<b>Petroleum: .23%</b>						5,020 Republic Corp. ....	403,768	1.23	<b>Photography and Optical: 4.46%</b>						<b>Electronics: 2.22%</b>						100 Duncan Electric "B" .....	3,665	.01	9,200 Calandra Photo "A" .....	252,855	.77	5,000 Fairchild Camera & Instrument ...	392,054	1.19	1,200 Itek Corp. ....	153,912	.47	6,000 National Semiconductor .....	278,076	.85	400 Kalvar Corp. ....	104,764	.32	500 Tyco Laboratories .....	56,922	.17	6,000 Perfect Film & Chemical .....	549,684	1.67	<b>Engineering Products: 3.63%</b>			15,000 Technicolor Inc. ....	549,684	1.67	5,000 Birdsboro Corp. ....	152,241	.46	19,700 Viewlex Inc. "A" .....	514,898	1.56	2,500 General Impact Extrusions .....	25,000	.08				11,700 I.T.L. Industries .....	226,688	.69	<b>Publishing and Education: .33%</b>						47,500 Pennsylvania Engineering .....	711,356	2.16	2,400 Chester Electronic Laboratories ...	74,369	.22	<b>Technology: 3.06%</b>						4,000 Wadell Equipment .....	80,297	.24	2,000 G. P. Putnams & Sons .....	35,838	.11	<b>Miscellaneous: 8.04%</b>						<b>Diversified Companies: 4.14%</b>			7,500 Gulton Industries .....	395,086	1.20	2,000 A.M.K. Corp. ....	204,784	.62	4,300 Leigh Instruments .....	169,313	.51	6,000 Donlee Manufacturing Industries ...	89,250	.27	2,000 Talley Industries .....	173,258	.53	15,900 Keene Corp. ....	612,656	1.86	3,000 Whittaker Corp. ....	269,184	.82	1,200 Pioneer Systems .....	53,028	.16				5,020 Republic Corp. ....	403,768	1.23	<b>A.P.L. Corp.: .03%</b>						<b>Electronics: 2.22%</b>			300 A.P.L. Corp. ....	8,892	.03	100 Duncan Electric "B" .....	3,665	.01	4,000 American Institutional Developers ..	190,773	.58	5,000 Fairchild Camera & Instrument ...	392,054	1.19	10,000 Atco Industries .....	95,000	.29	6,000 National Semiconductor .....	278,076	.85	240,000 Finsider, warrants .....	20,694	.07	500 Tyco Laboratories .....	56,922	.17	8,000 Fisher Scientific .....	267,298	.81	<b>Engineering Products: 3.63%</b>			10,000 General Time .....	421,694	1.28	5,000 Birdsboro Corp. ....	152,241	.46	4,000 INA Corp. ....	140,654	.43	2,500 General Impact Extrusions .....	25,000	.08	10,000 Midas International "A" .....	625,131	1.90	11,700 I.T.L. Industries .....	226,688	.69	7,000 Moore & McCormack .....	215,967	.66	47,500 Pennsylvania Engineering .....	711,356	2.16	18,500 Originals Inc. ....	660,498	1.99	4,000 Wadell Equipment .....	80,297	.24				<b>Financial: 1.55%</b>			<b>Preferred Stocks: 3.28%</b>						2,900 C.N.A. Financial .....	116,431	.35	5,000 C.N.A. Financial .....	116,431	.35	1,000 Leigh Instruments "A" \$2.60 .....	63,500	.19	25,000 Imperial Corporation of America ..	282,926	.86	2,000 Commercial Credit .....	112,092	.34	4,050 Pennzoil United Inc. \$4.00 .....	1,014,895	3.09	<b>Food and Merchandising: 7.59%</b>						14,000 Crush International .....	225,750	.69	<b>Convertible Debentures: 1.27%</b>						7,000 Jostens Inc. ....	256,519	.78	(Thousands)	US \$ 64 Graphic Controls, 4 1/4%, 1987 .....	87,604	.27	10,000 Kentucky Fried Chicken .....	895,932	2.72	(Thousands)	US \$ 79 Tyco Laboratories, 5 1/2%, 1988 .....	88,979	.27	10,000 Lum's Inc. ....	619,742	1.88	(Thousands)	US \$ 215 United States Smelting, Refining & Mining, 5 3/4%, 1993 .....	243,026	.73	12,000 Maine Sugar Industries .....	203,707	.62				10,000 Volume Merchandise .....	296,398	.90	<b>Non-Convertible Debentures: .22%</b>							\$ 74 Computel Systems, 9%, 1975 .....	74,000	.22		\$ 4,000 Short-Term Notes 12.05% .....	3,966,602	12.05		Net Cash and Receivables 8.07% ..	2,658,543	8.07		Net Assets .....	\$32,928,631	100.00%		Net Asset Value per Share .....	\$5.63																																																																						
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2,400 Chester Electronic Laboratories ...	74,369	.22	<b>Technology: 3.06%</b>																																																																																																																																																																																																																																																																																																																																																																																																																												
4,000 Wadell Equipment .....	80,297	.24	2,000 G. P. Putnams & Sons .....	35,838	.11	<b>Miscellaneous: 8.04%</b>						<b>Diversified Companies: 4.14%</b>			7,500 Gulton Industries .....	395,086	1.20	2,000 A.M.K. Corp. ....	204,784	.62	4,300 Leigh Instruments .....	169,313	.51	6,000 Donlee Manufacturing Industries ...	89,250	.27	2,000 Talley Industries .....	173,258	.53	15,900 Keene Corp. ....	612,656	1.86	3,000 Whittaker Corp. ....	269,184	.82	1,200 Pioneer Systems .....	53,028	.16				5,020 Republic Corp. ....	403,768	1.23	<b>A.P.L. Corp.: .03%</b>						<b>Electronics: 2.22%</b>			300 A.P.L. Corp. ....	8,892	.03	100 Duncan Electric "B" .....	3,665	.01	4,000 American Institutional Developers ..	190,773	.58	5,000 Fairchild Camera & Instrument ...	392,054	1.19	10,000 Atco Industries .....	95,000	.29	6,000 National Semiconductor .....	278,076	.85	240,000 Finsider, warrants .....	20,694	.07	500 Tyco Laboratories .....	56,922	.17	8,000 Fisher Scientific .....	267,298	.81	<b>Engineering Products: 3.63%</b>			10,000 General Time .....	421,694	1.28	5,000 Birdsboro Corp. ....	152,241	.46	4,000 INA Corp. ....	140,654	.43	2,500 General Impact Extrusions .....	25,000	.08	10,000 Midas International "A" .....	625,131	1.90	11,700 I.T.L. Industries .....	226,688	.69	7,000 Moore & McCormack .....	215,967	.66	47,500 Pennsylvania Engineering .....	711,356	2.16	18,500 Originals Inc. ....	660,498	1.99	4,000 Wadell Equipment .....	80,297	.24				<b>Financial: 1.55%</b>			<b>Preferred Stocks: 3.28%</b>						2,900 C.N.A. Financial .....	116,431	.35	5,000 C.N.A. Financial .....	116,431	.35	1,000 Leigh Instruments "A" \$2.60 .....	63,500	.19	25,000 Imperial Corporation of America ..	282,926	.86	2,000 Commercial Credit .....	112,092	.34	4,050 Pennzoil United Inc. \$4.00 .....	1,014,895	3.09	<b>Food and Merchandising: 7.59%</b>						14,000 Crush International .....	225,750	.69	<b>Convertible Debentures: 1.27%</b>						7,000 Jostens Inc. ....	256,519	.78	(Thousands)	US \$ 64 Graphic Controls, 4 1/4%, 1987 .....	87,604	.27	10,000 Kentucky Fried Chicken .....	895,932	2.72	(Thousands)	US \$ 79 Tyco Laboratories, 5 1/2%, 1988 .....	88,979	.27	10,000 Lum's Inc. ....	619,742	1.88	(Thousands)	US \$ 215 United States Smelting, Refining & Mining, 5 3/4%, 1993 .....	243,026	.73	12,000 Maine Sugar Industries .....	203,707	.62				10,000 Volume Merchandise .....	296,398	.90	<b>Non-Convertible Debentures: .22%</b>							\$ 74 Computel Systems, 9%, 1975 .....	74,000	.22		\$ 4,000 Short-Term Notes 12.05% .....	3,966,602	12.05		Net Cash and Receivables 8.07% ..	2,658,543	8.07		Net Assets .....	\$32,928,631	100.00%		Net Asset Value per Share .....	\$5.63																																																																																																																																																																																																										
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UNITED VENTURE FUND LTD.

## PROSPECTUS

January 3, 1968

THE SECURITIES OFFERED BY THIS PROSPECTUS ARE  
SPECULATIVE.

NO SECURITIES COMMISSION OR SIMILAR AUTHORITY  
IN CANADA HAS IN ANY WAY PASSED UPON THE MERITS  
OF THE SECURITIES OFFERED HEREUNDER AND ANY  
REPRESENTATION TO THE CONTRARY IS AN OFFENCE.



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# FORMULA FOR FINANCIAL SECURITY

*It is the belief of the Board of Directors of United Investment Services Ltd. that the three basic parts of a sound financial programme are:*

- 1. Cash Reserve**—For emergencies and opportunities. This reserve includes not only cash, but also assets generally considered “liquid,” of the fixed return type, including government bonds, savings accounts and investment certificates.
- 2. Adequate Insurance**—With respect to life insurance the word “adequate” will vary in amount and type of coverage depending on the circumstances of the individual concerned. During the years of family formation and development an individual should have a relatively large amount of insurance protection for minimum premium costs. Because there is need for some protection throughout life for almost all people, it is important that provision should also be made to continue at least a portion of the insurance programme throughout the individual’s life.
- 3. Investment Programme**—Along with providing a cash reserve and adequate insurance, an investment programme is needed to build capital which, in turn, should be kept working to preserve the purchasing power of that capital and to increase it in size. The Board believes that for a long term investment a mutual fund offers the best method available to accumulate capital and to provide income, for the following reasons:
  1. Broad diversification provides greater stability.
  2. Professional investment management provides constant supervision, increasing the possibility of superior investment results.
  3. Reinvestment of dividends provides a unique method of compounding earnings.
  4. Regular periodic investment forms a habit of saving and takes advantage of the investment principle of “dollar cost averaging.”

Proper financial planning involves the wise use of a person’s available dollars by weighing the relative need for cash reserve, insurance and investment programme, then allotting the proper ratio to each, recognizing that the ratio will vary with each person’s circumstances.

**Note: In view of the fact that United Venture Fund Ltd. is speculative and therefore investment in its shares involves a greater than average degree of risk, it should be considered only by those who can afford to speculate. It is recommended that the Venture Fund should ordinarily form part only of the investment which the average investor should set aside for long term investment in mutual funds.**

# **UNITED VENTURE FUND LTD.**

## **PART I—THE OFFERING**

### **(a) General**

United Venture Fund Ltd., a Canadian mutual fund, (hereinafter called "Venture Fund" or the "Fund"), having its assets invested in a portfolio consisting primarily of equity shares in Canadian and American companies, offers its mutual fund shares and investment plans for the purchase of shares through United Investment Services Ltd., exclusive distributor, (except in the Province of Quebec) and United Investment Services (Quebec) Ltd., exclusive distributor for the Province of Quebec, (the said distributors are hereinafter individually and collectively referred to as "United"). The assets of Venture Fund are managed by United Funds Management Ltd. (hereinafter called the "Manager"). United Investment Services Ltd. acts as Custodian of Venture Fund shares held under investment programmes and when acting in that capacity it is hereinafter referred to as the "Custodian".

### **(b) Investment Policy**

Venture Fund's professional investment Managers will direct their skills at realizing an unusually high growth on investments and to this end Venture Fund will accept the high degree of risk that is usual to investment in aggressive companies, including smaller companies, that are taking advantage of technological changes and advances in engineering, production and marketing techniques, recognizing that to capitalize on such advantages and potential they must face the possibility of individual or even collective losses. The Fund's professional Managers will endeavour to minimize the risk and achieve the desired high level of growth by constant appraisal of management, product and market complemented by a wide degree of diversification to offset individual setbacks. The primary objective of the Fund will be to invest in shares of companies of any country which appear to have exceptional possibilities for appreciation.

Investments in special situations may be emphasized by the management of Venture Fund, especially investments in shares of companies which are pioneering new developments of an industrial or scientific nature even though these companies may be small. Investments may be made in speculative mining securities if, in the opinion of management, circumstances appear to warrant such investments although such investments shall not be emphasized.

Investments shall be made primarily in the light of the foregoing investment policy even though such investments may involve a greater than average degree of risk and may have an adverse effect on the rate of income of Venture Fund and shall be made without regard to the qualification or disqualification of the Fund as an investment company within the meaning of the Income Tax Act of Canada. The Fund may take a defensive position if, in the opinion of management, this appears to be in the shareholders' best interests. Investments will not be restricted by reason of class or kind of industry.

### **(c) Performance**

Venture Fund first established its portfolio on December 30, 1966 from money received from the sale of an initial issue of mutual fund shares to United Funds Management Ltd., at \$2.30 per share.

A report, including the portfolio and the per share asset value, will be mailed to shareholders quarter annually. The net asset value per share will be calculated and made public on each day that The Toronto Stock Exchange is open.

#### **(d) Per Share Income and Capital Changes**

As of December 30, 1966 the per share value of Venture Fund was \$2.30. During the following nine months, the Fund experienced net realized and unrealized gains and losses of a total of \$1.83 per share resulting in a net asset value as of September 30, 1967 of \$4.13 per share.

#### **(e) Dividend Policy**

It is the intention of the Fund to distribute as closely as possible all of its net income by way of dividends to be paid once yearly after the end of each fiscal year. Such dividends will be automatically reinvested in additional shares for the account of the shareholder at net asset value, that is, with no sales commission charged. When the initial dividend is reinvested, a share account is established for the investor on the books of United. The shares purchased with the initial and each subsequent dividend are credited to the share account of the investor in the same manner and subject to the same conditions as a share account established under a Systematic Investment Programme.

#### **(f) Tax Status of Shareholders**

Individual shareholders are subject to income tax on dividends paid by the Fund and reinvested in additional shares of the Fund on their behalf. Individual shareholders resident in Canada are entitled to a tax credit equal to 20% of the net dividends so received. Shareholders who are taxable Canadian corporations are not subject to income taxes on any dividends paid by the Fund.

#### **(g) Tax Status of Venture Fund**

The Fund is taxed in Canada as a normal Canadian corporation. The Canadian income taxes can be reduced by the tax withheld from income received from abroad as provided in Canadian tax legislation. Dividends received from most Canadian companies are exempt from Canadian income tax.

Venture Fund expects to conduct its investment activities in such a manner that capital gains realized on the sale of securities will not be subject to Canadian taxes.

### ***PART II—METHODS OF PURCHASE***

Shares of the Fund are available in the following ways:

#### **(a) Single Investment Purchases**

Investors may purchase the mutual fund shares directly from United in any amount not less than \$100. The price will be the issue price (as defined in paragraph (c) of this Part II) prevailing at the time such investments are received in bankable funds at the principal office of United in Toronto. A share certificate of the Fund is issued for such mutual fund shares and fractions thereof. Dividends on shares so purchased will be automatically reinvested in additional shares for the account of the shareholder at net asset value, that is, with no sales commission charged.

At the investor's request, the shares may be transferred to a Systematic Investment Programme upon payment of a \$2.00 transfer fee.

An investor in a Single Investment Purchase may liquidate from time to time a part of his shares provided that upon any such partial liquidation United shall be entitled to deduct from the proceeds a service fee of \$1.50.

## **(b) Systematic Investment Programme**

Investors may also purchase the mutual fund shares through a Systematic Investment Programme. The price will be the issue price (as defined in paragraph **(c)** of this Part II) prevailing at the time such investments are received in bankable funds at the principal office of United in Toronto. The Programme provides for an initial investment of at least \$100 and subsequent investments of at least \$100 each whenever the investor desires. Investments made by the investor are applied to the purchase of shares (including fractional shares).

When the initial investment is made a share account is established for the investor on the books of United. The shares purchased with the initial and each subsequent investment are credited to the share account of the investor but will be registered on the books of the Fund in the name of United Investment Services Ltd. as "Custodian" for the investor.

Dividends thereon will be received and reinvested by the Custodian in more shares for the investor at net asset value without deduction of sales charge or service fees. At the request of the investor United will obtain a certificate in the name of the investor for the shares evidenced by the share account. When a certificate is requested for the total number of shares held in the account, there will be no charge to the investor for such a transfer; however, where a certificate is requested for only a portion of the shares in the account then the transfer shall be subject to a transfer fee of \$2.00.

An investor in a Systematic Investment Programme may liquidate from time to time a part of his shares held under the Programme provided that upon any such partial liquidation United shall be entitled to deduct from the proceeds a service fee of \$1.50. A minimum balance of \$100 must be left invested at the time of liquidation or United has the right to redeem the whole investment and close the account.

## **(c) Issue Price and Acquisition Charges**

The issue price of each mutual fund share shall be the net asset value thereof then in effect plus the sales commission payable to United. Sales commission is payable on application. The issue price on sales of less than \$5,000 will be 1000/915ths, adjusted to the nearest cent per share, of the net asset value per share of the Fund, in effect at the time of sale, determined in accordance with the provisions of its Letters Patent. On such sales a commission is retained by United equal to 8½% of the issue price per share which will be reduced, as shown in the following paragraphs, in respect of individual sales of mutual fund shares of \$5,000 or more with a corresponding reduction in the issue price so that the net amount Venture Fund will receive after deduction of sales commission will always be the net asset value per share of its shares in effect at the time of sale, being the time payment is received by United in bankable funds at its principal office in Toronto. The foregoing commission is eliminated with respect to any purchases of shares resulting from the automatic reinvestment of dividends. At the discretion of United, the commission may be reduced or eliminated with respect to any purchase by directors, officers, employees, managers or representatives of the Fund, the Manager, United or any associate or affiliate of United for their own accounts. The shares purchased by such representatives or employees may not be transferred during the lifetime of such representatives or employees. If they are so transferred the appropriate commission will be payable. On any such reductions or elimination of commission as aforesaid the issue price is reduced by a like amount.

The commission of 8½% of the issue price retained by United under the foregoing paragraph is reduced on individual sales of \$5,000 or more as follows:

on a sale of \$ 5,000 to \$ 14,999 the rate is 8%  
on a sale of \$ 15,000 to \$ 24,999 the rate is 7%  
on a sale of \$ 25,000 to \$ 49,999 the rate is 6%  
on a sale of \$ 50,000 to \$ 74,999 the rate is 5%  
on a sale of \$ 75,000 to \$ 99,999 the rate is 4%  
on a sale of \$100,000 to \$149,999 the rate is 3½%  
on a sale of \$150,000 to \$199,999 the rate is 2½%  
on a sale of \$200,000 to \$499,999 the rate is 2%  
on a sale of \$500,000 or more the rate is 1%

The above graduated sales commissions will apply on initial purchases and also on any subsequent purchases to the extent that the total investment of the shareholder, to the time of and including such subsequent purchase and any investments made in United Accumulative Fund Ltd. or any other Fund managed by the Manager and qualified for sale, exceeds \$4,999, provided that the shares previously purchased are still registered in his name.

The above graduated sales commissions will also be reduced if a Letter of Intent is signed at the time of the original purchase. By signing a Letter of Intent the client signifies his intention to invest a specific sum of money in Funds offered by United during the next thirteen months. Provided that at the time such Letter of Intent is signed the client invests at least 10% of such sum, he will pay commissions at the rate set out above for the total investment even though the investments he may make from time to time during the thirteen-month period would, if a Letter of Intent had not been signed, be processed at the above graduated rate according to the total amount invested at the time each of the individual sales is made. If he does not achieve his objective within the said thirteen-month period United has the right to liquidate (a) shares to the value of \$10.00 and (b) such number of shares or fractions of shares as were initially purchased by the difference in commission resulting from applying the lower rate of commission actually charged instead of the rate of commission shown above together with the shares purchased from reinvested dividends thereon. The proceeds shall be used to compensate for the higher sales charges that would have been paid if a Letter of Intent had not been signed, and to compensate United for administration charges at the rate of \$10.00 for each uncompleted Letter of Intent.

Out of the commissions and service charges retained or received by United it will defray all expenses in connection with the offering and sale of mutual fund shares including commissions allowed by it to sub-distributors.

#### **(d) Transfers from other United Funds**

A holder of shares of United Accumulative Fund Ltd. or of any other Fund managed by the Manager and offered for sale through United (hereinafter called the "other United Fund") may transfer part or all of his investment in such other United Fund to an investment in shares of the Fund in any form offered by this prospectus by filling out the required forms for redemption of shares of the other United Fund and submitting them together with the appropriate application for the desired investment in the Fund. If the foregoing procedure is followed no sales charge will be made in respect of the transfer, but a \$5.00 service charge will be made and deducted by United from the amount being transferred in respect of each transfer made. If such transfer is effected by redemption of part only of an account then a minimum balance of \$100 must be left in such account and an additional service fee of \$1.50 will be made for such partial redemption.

### **PART III—VALUATION AND REDEMPTION OF SHARES**

Matters related to the frequency of valuation, method of valuation, the effective time of change in value and the redemption of mutual fund shares (“share”) have been established by the Letters Patent and resolutions of the Board of Directors of the Fund and among other things provide for the following:

#### **(a) Frequency of Valuation**

The net asset value of each share will be determined at the times and in the manner set out in this paragraph (a) and shall take effect at the times and for the purposes set out in paragraphs (c) and (d) of this part and any determination of net asset value so made shall be binding on all parties.

The Board of Directors of the Fund (the “board”) has the power and duty to determine the net asset value of each mutual fund share and such net asset value will be determined:

- (i) as of the close of business of either The Toronto Stock Exchange or the New York Stock Exchange on each day when either of the said exchanges is open for trading, and in addition,
- (ii) at any particular time selected by the board on any day.

Provided, however, that the board may declare a suspension of the determination of net asset value for the whole or any part of any period (1) during which The Toronto Stock Exchange or the New York Stock Exchange is closed other than customary weekend and holiday closings, (2) during which trading on The Toronto Stock Exchange or the New York Stock Exchange is restricted, (3) during which an emergency exists as a result of which disposal by the Fund of securities owned by it is not reasonably practicable or it is not reasonably practicable for the Fund fairly to determine the value of its net assets or (4) for such other periods as any governmental body having jurisdiction over the Fund may by order permit for the protection of the holders of mutual fund shares. Such suspension shall take effect at such time as the board shall specify but not later than the close of business on the business day next following the declaration and thereafter there shall be no determination of asset value until the board shall declare the suspension at an end, except that the suspension shall terminate in any event on the first day on which (a) the condition giving rise to the suspension shall have ceased to exist and (b) no other condition under which suspension is authorized shall exist. To the extent not inconsistent with official rules and regulations promulgated by any governmental body having jurisdiction over the Fund, any such declaration of the board shall be conclusive.

The board has the power to delegate certain of its powers and duties and, by resolution, it delegated to the Chairman of the Board, the President, the Executive Vice-President or any other Vice-President of the Fund its powers and duties to (a) determine the net asset value when required to be determined as herein provided, and (b) if, in his opinion, it is reasonable so to do, to establish the time as of when the net asset value shall be determined while The Toronto Stock Exchange or the New York Stock Exchange is open and the period of time during which such net asset value shall remain in effect.

#### **(b) Method of Determining Net Asset Value**

The net asset value of each share shall be determined in accordance with the Letters Patent of the Fund as follows:

The net asset value of each share as of any particular time shall be the quotient obtained by dividing the value, as at such time, of the net assets of the Fund (i.e. the value of the assets of the Fund less its liabilities) by the total number of shares outstanding at such time.

The value of any bond, time note, share of stock, subscription right or other security which shall be listed or dealt with upon any stock exchange shall be determined as of the close of business by taking the last sale price (or lacking any sales, a price not higher than the closing asked price and not lower than the closing bid price therefor as the board may from time to time determine) on the date as of which the net asset value is being determined, all as reported by any means in common use, and, in the case of determination made other than as of the close of business, the latest available quotations (i.e. last sale on the date or latest bid and asked if no sale on that day) shall be used, provided, however, that the board may by resolution permit over-the-counter rather than stock exchange quotations to be used when they appear to the board or its delegate to reflect more closely the fair value of any particular security in the portfolio.

In the case of any bond, time note, share of stock, subscription right, other security or other property for which no price quotation is available as above provided, the fair value thereof shall be determined from time to time in such manner as the board shall from time to time provide by resolution and by resolution it has provided that the value of any bond, time note, share of stock, subscription right or other security or other property which is not listed on a recognized stock exchange shall be determined by taking the last ascertainable sale price thereof or, in the event of any lack of sales or in the event that any of the officers of the Fund then having the power and duty to determine the net asset value of the shares is of the opinion that such last ascertainable sale price does not accurately reflect the value of such security or property, then such value shall be determined by taking a price not higher than the last quoted asking price and not lower than the last quoted bid price as any such officers may from time to time determine.

#### **(c) Effective Time of Change in Value**

The net asset value of each share determined as of the close of business of The Toronto Stock Exchange or the New York Stock Exchange shall become effective one hour after such close of business and shall remain in effect until the net asset value which is next determined becomes effective. The net asset value of each share determined as of any other time shall become effective as of the time as of which such determination was made or such other time as may be determined by the board or its delegate and shall remain in effect for a period of time to be established by the board or its delegate, but in any event, when established by a delegate of the board, such net asset value shall not remain in effect later than one hour after the close of business of The Toronto Stock Exchange or the New York Stock Exchange next following the time as of which such determination became effective.

#### **(d) Redemption**

Shares may be redeemed without charge at the option of the shareholder but not at the option of the Fund as follows:

On any day when The Toronto Stock Exchange is open for trading any holder of record of shares desiring to dispose of his shares may surrender them by depositing them for redemption.

Any shares deposited for redemption before 4:30 o'clock in the afternoon shall be redeemed at the net asset value next determined after the deposit of such shares for redemption is completed. If such deposit for redemption is completed after 4:30 o'clock in the afternoon they shall be redeemed at the net asset value next determined as of a time after The Toronto Stock Exchange or the New York Stock Exchange next opens for trading.

Deposit for redemption shall be completed only when the certificates representing the shares deposited have been delivered to and received by United Investment Services Ltd. at its head office or by United Investment Services (Quebec) Ltd. at its principal office in Toronto duly endorsed and accompanied by a proper instrument of transfer in form satisfactory to the Fund and with signature guaranteed

by a Canadian Bank, a Canadian Trust Company or a Caisse Populaire together with a clear request that such shares be accepted for surrender.

Payment for such shares shall be made by the Fund to the shareholder of record within seven (7) business days after the date upon which the shares are deposited plus any period after such deposit and before such payment during which the determination of net asset value has been suspended by declaration of the board. If the determination of the surrender price is postponed beyond the date on which it would normally occur by reason of a declaration by the board suspending determination of net asset value the right of the shareholder to have his shares accepted for surrender by the Fund shall be similarly suspended and he may withdraw his certificate or certificates from deposit, or, if he does not so withdraw his certificate or certificates, the surrender price shall be the net asset value determined as of the close of business upon the first day, after suspension, upon which such a determination is made. Payment by the Fund for such shares so surrendered shall be made by cheque payable to the registered owner thereof except that, if, in the opinion of the board of directors, which shall be conclusive, conditions exist which make payment wholly in cash unwise or undesirable, the Company may make payment wholly or partly in securities or other property, the value of which shall be determined as of the time the value of the shares surrendered is determined.

#### *PART IV—THE ISSUER*

##### **(a) Corporate Information**

The Fund, being the Issuer of the securities offered, was incorporated under the laws of Canada by Letters Patent dated November 14, 1966. Its head office and principal place of business is at 44 King Street West, Toronto, Ontario. The Fund has applied for Supplementary Letters Patent. For details, see Part VII—Additional Information—(c)—Supplementary Letters Patent—Page 19.

The Fund was organized and promoted by the Manager and established its initial portfolio by the sale to the Manager of 43,480 mutual fund shares at \$2.30 per share none of which have been redeemed.

##### **(b) Directors and Officers**

The names, home addresses and present occupations of the directors and of the officers of the Fund are as follows:

**ALEXANDER McDougall McBAIN**, 35 Cluny Drive, Toronto, Ontario, CHAIRMAN OF THE BOARD and DIRECTOR.

\*Chairman of the Board and Director of United Accumulative Fund Ltd., and United American Fund Ltd.; Vice-President and Director of United Funds Canada—International Ltd.; Director of United Funds Management Ltd., United Investment Services Ltd. and United Investment Services (Quebec) Ltd., The Stanstead & Sherbrooke Insurance Co., and other Canadian corporations.

\*Prior to February, 1967—President of United Accumulative Fund Ltd.

**JOHN MORROW GODFREY, Q.C.**, 99 Elm Avenue, Toronto, Ontario, PRESIDENT and DIRECTOR.

\*A senior partner in the law firm of Campbell, Godfrey & Lewtas, Toronto; President and Director of United Accumulative Fund Ltd., and United American Fund Ltd.; Secretary of United Funds Canada—International Ltd.; Director of United Funds Management Ltd., United Investment Services Ltd., Canadian Admiral Corporation, Ltd., Cleveland Twist Drill (Canada) Ltd., Dover Industries Limited, and other Canadian corporations.

\*Principal occupation within the five preceding years.

**RODNEY STEWART CRAIK DONALD**, 87 Roxborough Drive, Toronto, Ontario, EXECUTIVE VICE-PRESIDENT and DIRECTOR.

\*President and Director of United Funds Management Ltd.; Executive Vice-President and Director of United Accumulative Fund Ltd., United American Fund Ltd., and United Funds Canada—International Ltd.; Director of United Investment Services Ltd.

**CHAUNCEY LOCKHART WADDELL**, 1 Beekman Place, New York, New York, VICE-PRESIDENT and DIRECTOR.

\*Chairman of the Board and Director of Waddell & Reed, Inc., United Investment Services Ltd., and United Funds Management Ltd.; President and Director of Waddell & Reed International Ltd., and United Funds Canada—International Ltd.; Vice-President and Director of United Funds, Inc., United Accumulative Fund Ltd., and United American Fund Ltd.; Director of United Investment Services (Quebec) Ltd.

**ROBERT FRANCIS LYNCH**, 3 Dogwood Hill, Brookville, New York, VICE-PRESIDENT and DIRECTOR.

Vice-President and Director of United American Fund Ltd., United Funds Management Ltd., and United Funds Canada—International Ltd.; \*Secretary-Treasurer and Director of Waddell & Reed International Ltd.

\*Prior to appointment he was associated with Intercontinental Advisory Corporation Ltd. since 1961.

**JACQUES DE BILLY, Q.C.**, 1410 Oak Avenue, Quebec City, Quebec, DIRECTOR.

\*A senior partner in law firm of Gagnon, de Billy, Cantin & Dionne, Quebec City; Director of United Accumulative Fund Ltd., United American Fund Ltd., Munich Reinsurance Company of Canada, La Sauvegarde Life Insurance Company, the Royal London Lancashire Insurance Group, Desjardins Mutual Life Assurance Company, Direct Motor Express Limited, Levis Ferry Limited and a Canadian Chartered Bank.

**JOSEPH MAURICE RICHARD CORBET**, 40 Glen Edyth Place, Toronto, Ontario, DIRECTOR.

Director of United Accumulative Fund Ltd., United American Fund Ltd., \*Area Mines Limited, Canada Tungsten Mining Corp. Ltd., Canada Permanent Trust Company, Global General Insurance Co., Global Life Insurance Co., Mattagami Lake Mines Limited, Lake Dufault Mines Limited, and other Canadian corporations.

\*Prior to December, 1965, President of Area Mines Limited.

**MAURICE DÉSY, Q.C.**, 3524 Ontario Avenue, Montreal, Quebec, DIRECTOR.

\*Counsel to the law firm of Doheny, Day, Mackenzie & Lawrence, Montreal; Director of United Accumulative Fund Ltd., and United American Fund Ltd.

\*Prior to October, 1965, Chairman of the Quebec Securities Commission.

**GORDON ERNEST EDDOLLS**, 1 Highland Gardens, Toronto, Ontario, DIRECTOR.

\*President and Director of United Investment Services Ltd. and United Investment Services (Quebec) Ltd.; Vice-President and Director of United Funds Management Ltd.; Director of United Accumulative Fund Ltd., and United American Fund Ltd.

\*Prior to January, 1965, Executive Vice-President and Director of United Investment Services Ltd.

\*Principal occupation within the five preceding years.

**HORACE JOHN FRASER**, Lost Herd Farm, Palgrave, Ontario, DIRECTOR.

\*President and Managing Director of Falconbridge Nickel Mines Limited; President and Director of United Keno Hill Mines Limited, Dominion Magnesium Limited, Industrial Minerals of Canada Limited; Director of United Accumulative Fund Ltd., United American Fund Ltd., Crown Trust Company, McIntyre Porcupine Mines Ltd., a Canadian Chartered Bank, and other corporations.

**HENRY RUTHERFORD JACKMAN, Q.C.**, 35 Rosedale Road, Toronto, Ontario, DIRECTOR.

\*President and Director of Dominion and Anglo Investment Corporation Ltd.; Chairman of the Board and Director of The Empire Life Insurance Company; Director of United Accumulative Fund Ltd., United American Fund Ltd., United Funds Canada—International Ltd., Dominion of Canada General Insurance Company, Canada Permanent Trust Company, Algoma Central Railway, a Canadian Chartered Bank, and other corporations.

**WALTER CHARLES KOERNER, C.C., K. St. J., LL.D.**, 1203 Matthews Avenue, Vancouver, British Columbia, DIRECTOR.

\*Chairman of the Board and Director of Rayonier Canada Ltd., Director of Rayonier Incorporated, New York, United Accumulative Fund Ltd., United American Fund Ltd., Canadian National Railways, Air Canada, a Canadian Chartered Bank, and other corporations.

**GRAHAM MARTIN MacLACHLAN**, 17 Valleyanna Drive, Toronto, Ontario, DIRECTOR.

\*President and Director of Maple Leaf Mills Ltd.; Director of United Accumulative Fund Ltd., United American Fund Ltd., Canada Bread Company, Limited, McGavin ToastMaster Limited, Eastern Bakeries Limited, United Funds Canada—International Ltd., Eagle Star Insurance Company Group, and other Canadian corporations.

**DONALD McINNES, Q.C.**, 5780 Inglis Street, Halifax, Nova Scotia, DIRECTOR.

\*A senior partner in the law firm of McInnes, Cooper & Robertson of Halifax; Chairman of the Board and Director of Fairey Canada Limited, and Canada Permanent Trust Company; Vice-President and Director of a Canadian Chartered Bank; Director of United Accumulative Fund Ltd., United American Fund Ltd., Nova Scotia Savings & Loan Company, United Elastic Limited, The Maritime Life Assurance Co., and other Canadian corporations.

**JOE JACK MERRIMAN**, 6540 Overhill Road, Shawnee Mission, Kansas, DIRECTOR.

\*President and Director of Waddell & Reed, Inc. and United Investors Life Insurance Company; Vice-President and Director of United Funds, Inc.; Director of United Funds Management Ltd., United Funds Canada—International Ltd., United Accumulative Fund Ltd., United American Fund Ltd., United Investment Services Ltd., and Waddell & Reed International Ltd.

\*Prior to May, 1965, President of United Investors Life Insurance Company.

**GEORGE HENRY SELLERS**, Riverbend Farms, R.R. #1, Headingley, Manitoba, DIRECTOR.

\*President and Chief Executive Officer of Federal Grain Ltd.; Vice-President of Pacific Elevators Ltd.; Director of United Accumulative Fund Ltd., United American Fund Ltd., Canada Malting Co. Ltd., Greater Winnipeg Gas Company, Grain Insurance & Guarantee Co., Standard Aero Engine Ltd., and a Canadian Chartered Bank.

John William Galbraith, 1066 Argyle Drive, Oakville, Ontario, *Vice-President*; \*Vice-President and Director of United Investment Services Ltd., United Investment Services (Quebec) Ltd., and

\*Principal occupation within the five preceding years.

United Funds Management Ltd; Vice-President of United Accumulative Fund Ltd., United American Fund Ltd., and United Funds Canada—International Ltd. • Ralph Horner, 38 Astley Avenue, Toronto, Ontario, *Vice-President*; \*Vice-President and Director of United Funds Management Ltd.; Vice-President of United Accumulative Fund Ltd., United American Fund Ltd., and United Funds Canada—International Ltd. • William Roy Miller, 34 Markham Road, Scarborough, Ontario, *Treasurer*; Treasurer of United Funds Management Ltd., \*United Investment Services Ltd., United Investment Services (Quebec) Ltd., United Accumulative Fund Ltd., United American Fund Ltd., and United Funds Canada—International Ltd. \*Prior to April 1965, he was associated with Clarkson, Gordon & Co. • Stanley Roy Anderson, 61 East Willow Gate, West Hill, Ontario, *Secretary*; Secretary of United Funds Management Ltd., \*United Investment Services Ltd., United Investment Services (Quebec) Ltd., United Accumulative Fund Ltd., United American Fund Ltd. \*Prior to April 1965, he was in private law practice and prior to June 1963, associated with Anthes Imperial Ltd. • Evelyn Grace Scott, 31 Roehampton Avenue, Toronto, Ontario, *Assistant Secretary*; \*Assistant Secretary of United Funds Management Ltd., United Accumulative Fund Ltd., United American Fund Ltd., United Investment Services Ltd., and United Investment Services (Quebec) Ltd. • George Tiviluk, 27 Whitehall Road, Toronto, Ontario, *Assistant Secretary*; \*Partner with the law firm of Campbell, Godfrey & Lewtas, Toronto; Assistant Secretary of United Accumulative Fund Ltd., and United American Fund Ltd. • Frank Garth Collins, 46 Mandel Crescent, Willowdale, Ontario, *Assistant Treasurer*; \*Assistant Treasurer of United Investment Services Ltd., United Investment Services (Quebec) Ltd., United Funds Management Ltd., United Accumulative Fund Ltd., and United American Fund Ltd. • William Ferguson Eldon Tucker, 11 Richelieu Road, Downsview, Ontario, *Assistant Treasurer*; \*Assistant Treasurer of United Funds Management Ltd., United Accumulative Fund Ltd., and United American Fund Ltd. since April 19, 1966. (\*Previously, since 1962, a student with the firm of Coopers & Lybrand.)

### (c) Management of the Fund

Under the terms of an Agreement dated December 30, 1966 and amended December 20, 1967, the Fund engaged United Funds Management Ltd., as Manager, to provide and pay for adequate office space and equipment in the City of Toronto for the head office of the Fund and any other expenses incidental to the operation thereof, including the paying of salaries of certain officers and of sufficient personnel required to keep the financial accounts of the Fund, to calculate each day the net asset value of the mutual fund shares and for the placing of orders for the purchase and sale of securities on behalf of the Fund. The Manager has agreed to pay the salaries, if any, of the Chairman of the Board and of the President of the Fund, the amount of such salaries to be determined from time to time by the Board of Directors of the Fund, having due regard to the duties and responsibilities of the officers then in office. The Issuer is not responsible to pay the salaries or remunerations of any other officer or employee. The remuneration for the services performed by the Manager is referred to in paragraph (a) of Part V.

## PART V—INVESTMENT MANAGEMENT

### (a) The Manager

United Funds Management Ltd., a professional investment management company, incorporated under the laws of Canada, with head office and principal place of business at 44 King Street West, Toronto, Ontario, is the Manager of the assets of the Fund. Under the said Agreement dated December 30, 1966,

\*Principal occupation within the five preceding years.

the Manager is responsible to supervise, manage and direct the investment of the cash, securities and other property comprising the assets of the Fund and to recommend what securities should be purchased or sold and what portion of the Fund's assets shall be held uninvested subject always to the Fund's investment policy as adopted from time to time and to the provisions of the Fund's Letters Patent, Supplementary Letters Patent and By-laws as each of the same shall be from time to time amended and to the decisions and determinations of the Fund's Board of Directors. The Manager is a company which has been engaged in the business of advising and managing the following mutual funds: From September, 1954 to January 4, 1965—United Funds Canada Ltd.; from September 16, 1957 and continuing—United Accumulative Fund Ltd.; from June 30, 1967 and continuing—United American Fund Ltd.; from September, 1963 to January, 1965—United International Fund Ltd.; from January 4, 1965 and continuing—United Funds Canada—International Ltd., being the continuing company after the merger of United Funds Canada Ltd. and United International Fund Ltd. Each of the foregoing mutual funds carried on a similar business to that of the Fund.

For all services and facilities which the Manager will provide for the Fund, it will be paid on the first day of each month in respect of the next preceding month an amount equal to 1/365th of 1% of the value daily of the net assets of the Fund computed for each day in the month. For these fees, the Manager pays all expenses of the Fund incurred in the ordinary course of business relating to its organization, management and operation, with the exception of the commissions and brokerage fees on the purchase and on the sale of securities in the portfolio and the transfer taxes and taxes of all kinds to which the Fund is or might be subject. The Fund has adopted the policy of deducting from realized gains on the sale of investments the amount, if any, by which the management fee for the fiscal year exceeds net income for the fiscal year.

**(b) Directors and Officers of the Manager:**

The Chief Executive officers and directors of the Manager are as follows:

Chairman of the Board and Director.....	CHAUNCEY LOCKHART WADDELL
President and Director.....	RODNEY STEWART CRAIK DONALD
Vice-President and Director.....	GORDON ERNEST EDDOLLS
Vice-President and Director.....	JOHN WILLIAM GALBRAITH
Vice-President and Director.....	RALPH HORNER
Vice-President and Director.....	ROBERT FRANCIS LYNCH
Director.....	JOHN MORROW GODFREY, Q.C.
Director.....	ALEXANDER McDougall McBAIN
Director.....	JOE JACK MERRIMAN

*Secretary*, Stanley Roy Anderson; *Treasurer*, William Roy Miller; *Assistant Secretaries*, Evelyn Grace Scott and Dennis Harold Greenwald; *Assistant Treasurers*, Frank Garth Collins, Gerald Gilbert and William Ferguson Eldon Tucker.

All of the foregoing, with the exception of Dennis Harold Greenwald and Gerald Gilbert, are directors or officers of the Fund. Information regarding those who are directors or officers of the Fund is set out in paragraph (b) of Part IV hereof.

Dennis Harold Greenwald resides at 10834 Madison, Kansas City, Missouri and is a Vice-President and an Assistant to the Counsel of Waddell & Reed, Inc. Prior to April 1963, he was associated with the New York law firm of Valicenti, Leighton, Reid & Pine.

Gerald Gilbert resides at 5805 State Line Road, Kansas City, Missouri and during the last 5 years he has been a Vice-President and Director of Waddell & Reed, Inc.

### **(c) Portfolio Management**

The Manager retains a staff of professional and trained investment analysts who analyse and study data, information and recommendations obtained from all available sources including direct discussion with management of the company whose securities are being considered and recommendations and studies offered by brokers and economists. All purchases and sales of securities must be authorized by the senior officer or analyst of the Manager present at the time of approval of such purchase or sale. A senior officer of the Fund must be satisfied that all requisite procedural action has been taken before he approves payment for or delivery of securities. Each member of the Board of Directors of the Fund and each member of the Board of Directors of the Manager is provided with a detailed weekly report of such purchases and sales. The portfolio is further considered at meetings of the Directors of the Fund and of the Manager. Transactions are normally arranged through a large number of brokerage houses. Payments for and settlement of transactions are formally carried out by the portfolio Custodian, a Canadian Chartered Bank. The Manager and its personnel never have custody of any securities at any time. Brokerage fees are paid at the most favourable rates available to the Fund and permitted by the rules of the appropriate stock exchange where applicable. Brokerage business is allocated where feasible to compensate brokers for information and studies to assist in obtaining a better performance of the Fund. The total cost of securities of the Fund portfolio purchased from commencement of business to September 30, 1967 was \$224,396.

### **(d) Investment Restrictions**

The Fund will be operated as a fully managed mutual fund. It has the power to invest in and hold for investment and sell securities of any other company or of any country or political subdivision thereof. Under the By-laws of the Fund (which cannot be changed without shareholder approval) it:

1. shall not borrow money or hypothecate, mortgage or pledge any of its property, real or personal, movable or immovable;
2. shall not purchase on margin securities of any sort;
3. shall not sell or contract to sell any security which it does not own, unless by virtue of the ownership of other securities it has at the time of sale a right to obtain securities equivalent in kind and amount to the securities sold, and further provided that if such right is conditional, the sale is made upon the same conditions;
4. shall not underwrite or participate in the underwriting of any securities;
5. shall not participate on a joint or joint and several basis in any trading account in securities;
6. shall not lend any of its funds or other assets to any person, directly or indirectly, other than through the purchase, in accordance with the investment policies of the Fund, of securities of a person who does not control and is not under common control with the Fund;
7. shall not purchase or otherwise acquire any security issued by or any other interest in the business of any person who is a broker or dealer or is engaged in the business of underwriting or is an investment dealer;

8. shall not knowingly acquire any security:
  - (a) if, after giving effect thereto, the Fund would own, control or hold with power to vote 10% or more of the outstanding voting securities of any other company;
  - (b) of an issuer (other than securities issued or guaranteed by Canada, any province thereof, or the Government of the United States of America) if, after giving effect thereto, the Fund would have invested more than 10% of its net assets determined in accordance with the provisions of its Letters Patent, in securities of such issuer;
9. shall not deal with its own officers or directors or any firm in which any officer or director may have an interest or be an employee thereof, as principals in making purchases or sales of securities (other than common or mutual fund shares which may be issued by the Fund itself); provided that any officer or director of the Fund may, either directly or through a firm, act as a broker and they may accept the customary commissions in the purchase and sale of securities by or for the account of the Fund and may act as a dealer in connection with the purchase or sale of any common or mutual fund shares issued by the Fund;
10. shall not purchase or sell real estate;
11. shall not purchase or sell commodities or commodity contracts;
12. shall not purchase securities of its management company, underwriter or contractual distributor; or
13. shall not issue purchase warrants or any obligations, bonds, notes, debentures or other senior securities.

In addition to the foregoing restrictions of the Fund's investment policy, it:

- (i) shall not purchase securities which are the object of an initial sale or distribution, unless (a) such securities may be lawfully sold in the jurisdiction in which the Fund and/or the Manager are situate, and/or (b) such securities may be lawfully sold in the jurisdiction in which the issuer is situate;
- (ii) shall not invest in any security which may, by its terms, require the Fund to make an additional contribution;
- (iii) shall not invest in the securities of another "open-end" mutual fund, but where it appears to the Manager to be in the interest of the Fund, it may invest in securities of other forms of Investment Companies;
- (iv) shall not purchase securities other than through normal public market facilities unless the purchase price approximates the prevailing market price or is negotiated on an arm's length basis;
- (v) requires any director, officer or employee of the Fund or the Manager engaged in investment research or participating in any way in any investment decision with respect to the securities of a company in which such director, officer or employee has any interest, direct or indirect, to disclose immediately such interest;
- (vi) shall not invest in mortgages.

### **(e) Custodian of Portfolio Securities**

Securities and cash owned by the Fund are deposited for safekeeping with and are kept at the offices of a Canadian Chartered Bank at 44 King Street West, Toronto, Ontario, excepting that amounts totalling at any one time not in excess of \$25,000 may be kept in the bank accounts of the Fund. Upon receipt of written instructions signed by such one or more persons as are authorized from time to time by a resolution of the Board of Directors of the Fund, the Custodian (a) pays for and receives all securities purchased for the account of the Fund; (b) exchanges securities held for the account of the Fund for other securities in connection with any reorganization, recapitalization, merger, consolidation, split of shares, change of par value, conversion or otherwise; and (c) makes delivery of securities sold for the account of the Fund upon receipt of payment therefor.

### **(f) Registrar and Transfer Agent Responsibility**

By agreement dated November 16, 1967, United Investment Services Ltd. will act as registrar and transfer agent for the Fund in the city of Toronto.

By agreement dated December 4, 1967, Canada Permanent Trust Company will act as branch registrar and transfer agent for the Fund in the cities of Montreal, Halifax, Winnipeg, Calgary and Vancouver.

## **PART VI—DISTRIBUTION**

### **(a) Exclusive Distributors**

The Fund entered into Agreements each dated the 16th day of November, 1967 with United Investment Services Ltd. with head office and principal place of business at 85 Richmond Street West, Toronto, Ontario and with United Investment Services (Quebec) Ltd. with head office at 1210 Sherbrooke Street West, Montreal, Quebec, and principal place of business at 85 Richmond Street West, Toronto, appointing the former as exclusive distributor for its mutual fund shares except for the Province of Quebec and appointing the latter company as exclusive distributor throughout the Province of Quebec. The distributors each have their own sales force which obtains offers to purchase mutual fund shares or applications for plans and programmes for the purchase of mutual fund shares. The offers and applications together with any payments in respect thereof are usually sent directly to United at its principal place of business in Toronto. The offering price of shares is the net asset value per share then in effect together with the acquisition charges of United as established in this prospectus. It is the intention of the Fund and of United to offer the mutual fund shares in continuous offering.

### **(b) Directors and Officers of the Distributors**

The Directors and Officers of United Investment Services Ltd. are as follows:

*Chairman of the Board and Director*, Chauncey Lockhart Waddell; *President and Director*, Gordon Ernest Eddolls; *Vice-President—Administration and Director*, John William Galbraith; *Vice-President and Director*, Mrs. Monica Firminger; *other Directors*, Rodney Stewart Craik Donald, Alexander McDougall McBain, Joe Jack Merriman, Peter Noel Hickey, John Morrow Godfrey, Q.C.; *Secretary*, Stanley Roy Anderson; *Treasurer*, William Roy Miller; *Assistant Secretaries*, Alan Clifford Ryan, Gunter Willy Georg Neumann, Evelyn Grace Scott; *Assistant Treasurers*, Frank

Garth Collins and Boyd Wycher Haan; *Resident Vice-Presidents*, Cyril Scotthorn Newton, Ronald Gilbert Johnston, Byron Elmer Jones.

The Directors and Officers of United Investment Services (Quebec) Ltd. are as follows:

*President and Director*, Gordon Ernest Eddolls; *Vice-President—Administration and Director*, John William Galbraith; *Vice-Presidents and Directors*, Mrs. Monica Firminger, Peter Noel Hickey; *other Directors*, Alexander McDougall McBain, Chauncey Lockhart Waddell; *Secretary*, Stanley Roy Anderson; *Treasurer*, William Roy Miller; *Assistant Secretaries*, Mrs. Nicole Edwards, Gunter Willy Georg Neumann, Alan Clifford Ryan, Evelyn Grace Scott; *Assistant Treasurers*, Frank Garth Collins and Boyd Wycher Haan.

All of the foregoing with the exception of Mrs. Monica Firminger, Peter Noel Hickey, Alan Clifford Ryan, Gunter Willy Georg Neumann, Mrs. Nicole Edwards, Boyd Wycher Haan, Cyril Scotthorn Newton, Ronald Gilbert Johnston and Byron Elmer Jones are Directors or Officers of the Fund or the Manager and information regarding them is set out in Part IV (b) and Part V (b) hereof.

Mrs. Monica Firminger resides at 8 Maureen Drive, Willowdale, Ontario. Peter Noel Hickey resides at 21082 Lakeshore Road, Baie d'Urfé, Quebec. Alan Clifford Ryan resides at 2126 Haygate Crescent, Clarkson, Ontario. Gunter Willy Georg Neumann resides at 108 Hadrian Drive, Rexdale, Ontario. Mrs. Nicole Edwards resides at Apartment No. 7, 3360 Ridgewood, Montreal, Quebec. Boyd Wycher Haan resides at 2458 Padstow Crescent, Clarkson, Ontario. Cyril Scotthorn Newton resides at 4611 Marguerite Street, Vancouver, B.C. Ronald Gilbert Johnston resides at 40 Geraldton Crescent, Willowdale, Ontario. Byron Elmer Jones resides at 203-204 Devonshire House, Rideau Towers, Calgary, Alberta.

## PART VII—ADDITIONAL INFORMATION

### (a) Prior Sales

This prospectus does not amend the provisions of any agreement, including investment plans for the purchase of shares of the Fund, entered into on the basis of a previous prospectus filed with a regulatory body in the jurisdiction where the purchaser was located at the time of entering into such agreement.

### (b) Shareholder Rights

The respective voting rights, preferences, conversion and exchange rights, rights to dividends, profits or capital of each class of shares including redemption rights and rights on liquidation or distribution of capital assets of each class of shares of the capital stock of the Fund are as follows:

(a) Each mutual fund share and each common share shall entitle the holder thereof to one (1) vote at all meetings of shareholders of the Fund.

(b) Mutual fund shares and common shares shall rank equally with respect to any and all payments made to shareholders of the Fund by way of dividends. Upon any payment made to shareholders of the Fund by way of distribution of capital, the holders of common shares shall only be entitled to the amount paid up thereon.

(c) Common shares shall not be subject to redemption or purchase for cancellation.

(d) Fractional shares shall carry and be subject to the rights, limitations and conditions respectively applicable to the whole shares in the proportions which they bear to one (1) share.

### **(c) Supplementary Letters Patent**

By Supplementary Letters Patent dated December 20, 1967 the authorized capital of the Fund was increased by the creation of an additional 9,000,000 mutual fund shares and 5 common shares and reduced by the cancellation of 5 outstanding common shares and the Board of Directors was authorized to fix as a date of record for shareholders entitled to vote at a meeting of shareholders a date not more than 45 days preceding such meeting.

### **(d) Purchaser's Statutory Right of Withdrawal and Rescission**

The attention of purchasers in the Provinces of Ontario, Alberta and Saskatchewan of any of the securities offered by this Prospectus is drawn to certain provisions of relevant legislation, namely: The Securities Act, 1966 (Ontario), The Securities Act, 1967 (Alberta) and The Securities Act, 1967 (Saskatchewan), which provide such purchasers with:

(a) the right to withdraw from any agreement of purchase if written or telegraphic notice evidencing the intention of the purchaser not to be bound by the agreement of purchase is received by the vendor not later than midnight on the second business day after the prospectus or amended prospectus is received by the purchaser or his agent; and

(b) the right to rescind the agreement of purchase by institution of legal proceedings within ninety days from the later of the date of receipt of the prospectus or amended prospectus by the purchaser or his agent or the date of the agreement of purchase, if such prospectus, as of the date of receipt, contains an untrue statement of a material fact or omits to state a material fact necessary in order to make any statement contained therein not misleading in the light of the circumstances in which it was made.

The full text of the respective statutory provisions summarized above are contained in Sections 63 and 64 of The Securities Act, 1966 (Ontario), Sections 63 and 64 of The Securities Act, 1967 (Alberta) and Sections 70 and 71 of The Securities Act, 1967 (Saskatchewan).

The attention of purchasers in the Province of British Columbia of any of the securities offered by this Prospectus is drawn to certain provisions of the Securities Act, 1967 (British Columbia) which provide such purchasers with a right of rescission essentially similar to that summarized in paragraph (b) above. In addition, such purchasers are given the right to rescind a contract for the purchase of a security where the relevant prospectus was not delivered or notice thereof given to the purchaser, provided that written notice of intention to commence an action for rescission of the contract is served on the person who contracted to sell the security within 60 days of the date of delivery of written confirmation of sale and, further provided that the purchaser is still the owner of such security. No such action may be commenced after the expiration of three months from the date of service of such notice of intention. The full text of the relevant statutory provisions of the Securities Act, 1967 (British Columbia) summarized above are contained in Sections 61 and 62 thereof.

### **(e) Principal Holders of Securities**

As of December 15, 1967 the distribution of shares of each of the Fund, of the Manager and of the Distributors held by any one shareholder holding more than 10% of any class of each such corporation's shares was as follows:

Name and Address of Shareholders	Name of Corporation	Issuer or Relationship to Issuer	Designation of Class	Type of Ownership	Number of Shares owned	Percent of Class
Waddell & Reed, Inc. 20 W. 9th Street Kansas City, Missouri	United Funds Management Ltd. 44 King St. W. Toronto, Ontario	Manager	Common	Beneficial and of Record	1,000,000	80%
United Funds Management Ltd. 44 King St. W. Toronto, Ontario	United Investment Services Ltd. 85 Richmond St. W. Toronto, Ontario	Principal Distributor	Common	Beneficial and of Record	252,500	100%
United Investment Services Ltd. 85 Richmond St. W. Toronto, Ontario	United Investment Services (Quebec) Ltd. 1210 Sherbrooke St. W., Montreal, Quebec	Principal Distributor	Common	Beneficial and of Record	5,000	100%
United Funds Management Ltd. 44 King St. W. Toronto, Ontario	United Venture Fund Ltd. 44 King St. W. Toronto, Ontario	Issuer	Mutual Fund	Beneficial and of Record	88,775	100%
			Common		5	100%

The following are the names of every person having an interest, either directly or indirectly, to the extent of not less than 5%, in the capital of United Investment Services Ltd. and United Investment Services (Quebec) Ltd.; Chauncey L. Waddell, Joe Jack Merriman and William W. Laird.

As of September 30, 1967, the directors and senior officers of the Manager as a group, owned 10% of its common shares.

#### (f) Contracts

Copies of all contracts referred to in this prospectus may be inspected at the offices of United Investment Services Ltd., 85 Richmond Street West, Toronto, Ontario during office hours when United is open for business.

### PART VIII—ACCOUNTING, PORTFOLIO AND FINANCIAL STATEMENTS

#### (a) Auditors

The auditors of the Company are Clarkson, Gordon & Co., Chartered Accountants, 15 Wellington Street West, Toronto.

#### (b) Capital

As of December 15, 1967 the share capital of the Fund was as follows:

Authorized:

3,000,000 mutual fund shares of \$1.00 par value each.

1,000 common shares of \$1.00 par value each.

Outstanding:

88,775 mutual fund shares.....	\$88,775
5 common shares.....	5

**UNITED VENTURE FUND LTD.**  
**INVESTMENT PORTFOLIO—September 30, 1967**

	Number of Shares	Average Cost	Market Value
<b>Common Stocks:</b>			
AEROSPACE: 6.09%			
Applied Technology Inc. (b) (c).....	200	\$ 7,581	\$ 14,710
AIRLINES: 6.29%			
Capitol International Airways Inc. (b) (c).....	200	5,632	4,725
Overseas National Airways Inc. (b) (c).....	400	11,087	10,469
		<u>16,719</u>	<u>15,194</u>
COMMUNICATIONS AND ENTERTAINMENT: 19.16%			
CHUM Ltd.—Class A.....	1,000	10,500	18,124
Famous Players Canadian Corporation Ltd.....	250	9,400	9,625
General Cinema Corporation (c).....	200	5,878	7,248
Twentieth Century-Fox Film Corporation (c).....	200	8,614	11,301
		<u>34,392</u>	<u>46,298</u>
ELECTRONICS: 21.17%			
Lundy Electronics & Systems Inc. (c).....	200	8,709	8,429
Magna Electronics Corporation Ltd.....	500	4,975	8,625
Memorex Corporation (b).....	60	9,848	13,755
Wang Laboratories Inc. (b) (c).....	400	5,374	20,347
		<u>28,906</u>	<u>51,156</u>
FOOD AND MERCHANDISING: 8.26%			
Bohack (H.C.) Company Inc. (c).....	200	7,391	7,463
Harvey's Foods Ltd. (b).....	1,000	4,000	12,500
		<u>11,391</u>	<u>19,963</u>
METALS AND MINING: 5.24%			
The Beryllium Corporation (c).....	100	5,330	4,671
Leitch Gold Mines Ltd.....	1,000	5,255	8,000
		<u>10,585</u>	<u>12,671</u>
MISCELLANEOUS: 25.65%			
APL Corporation (c).....	300	9,758	7,812
Beeline Fashions Inc. (b) (c).....	200	6,253	5,691
French Petroleum Company of Canada Ltd.....	1,500	9,688	10,575
Gulton Industries Inc. (c).....	200	6,857	11,166
I.T.L. Industries Ltd.....	200	5,270	8,450
Kalvar Corporation (b) (c).....	25	5,938	6,752
Masco Corporation (c).....	100	2,612	4,188
Monogram Industries Inc. (c).....	50	2,033	7,302
		<u>48,409</u>	<u>61,936</u>
TOTAL COMMON STOCKS: 91.86%.....		<u>157,983</u>	<u>221,928</u>
<b>Convertible Debentures: 2.54%</b>		<b>Par Value</b>	
Monogram Industries Inc., 4%, September 1, 1992 (b) .....	U.S. \$5,000	\$ 5,374	\$ 6,160
		<u>\$163,357</u>	<u>\$228,088</u>

**NOTES:**

- (a) Average cost of securities quoted in foreign currencies is given in Canadian dollars and is calculated by using the prevailing exchange rate on the date the shares were purchased. Market value of such securities has been converted into Canadian funds at the closing rate of exchange at September 29, 1967.
- (b) Securities for which the market value is based on closing over-the-counter prices. The market value for all other securities set forth above is based on the closing price on September 29, 1967 reported by the principal security exchange on which the issue is traded or if there was no sale during that day, at the average of the closing bid and ask prices.
- (c) Securities issued by companies incorporated in jurisdictions outside Canada.

**UNITED VENTURE FUND LTD.**

(Incorporated under the laws of Canada)

**ASSETS AND LIABILITIES**

September 30, 1967

**Assets**

Investment securities at market value (average cost \$163,357) .....	\$228,088
Cash.....	13,671
Dividends and interest receivable.....	88
	<u>241,847</u>

**Liabilities**

Accrued liabilities.....	<u>255</u>
Net assets applicable to 58,525 capital shares outstanding equivalent to \$4.13 per mutual fund share.....	<u>\$241,592</u>

**CAPITAL SHARES AND SURPLUS**

September 30, 1967

**CAPITAL SHARES (note 2):**

Authorized—

3,000,000 mutual fund shares of \$1.00 par value each  
1,000 common shares of \$1.00 par value each

Outstanding—

58,520 mutual fund shares.....	\$ 58,520
5 common shares.....	5

**SURPLUS:**

Paid-in surplus.....	91,465
Realized gain on sale of investments.....	<u>26,871</u> 118,336
Total capital shares and surplus.....	176,861
Unrealized appreciation of investments.....	64,731
	<u>\$241,592</u>

On behalf of the Board:

ALEX. McD. McBAIN, Director

RODNEY S. C. DONALD, Director

See accompanying notes.

# UNITED VENTURE FUND LTD.

## STATEMENT OF INCOME AND EXPENSE

For the Period from November 14, 1966 (date of incorporation) to September 30, 1967

### INCOME:

Dividends.....	\$ 1,061
Interest.....	9
	<u>1,070</u>

### EXPENSE:

Management fees (note 3):	
Total management fee.....	1,182
Less portion thereof charged against realized gain on sale of investments....	<u>194</u>
	988
Foreign taxes withheld.....	82
NET INCOME FOR THE PERIOD.....	<u>\$ Nil</u>

## STATEMENT OF CHANGES IN NET ASSETS

For the Period from November 14, 1966 (date of incorporation) to September 30, 1967

Net assets, November 14, 1966.....	\$ Nil
<b>Changes during the period:</b>	
Income for the period.....	Nil
Capital—(note 2)	
Proceeds from the sale of 5 common shares.....	5
Proceeds from the sale of 58,520 mutual fund shares.....	<u>149,985</u>
Realized gain on sale of investments:	
Proceeds from sales.....	88,104
Aggregate cost.....	<u>61,039</u>
	27,065
Less portion of management fee in excess of net income for the period (note 3).....	<u>194</u>
Unrealized appreciation of investments.....	<u>64,731</u>
Net assets September 30, 1967, represented by:	
Capital shares.....	58,525
Paid-in surplus.....	91,465
Realized gain on sale of investments.....	26,871
Unrealized appreciation of investments.....	<u>64,731</u>
	<u>\$241,592</u>

See accompanying notes.

# UNITED VENTURE FUND LTD.

## NOTES TO FINANCIAL STATEMENTS

September 30, 1967

1. The fund was incorporated on November 14, 1966 but did not commence business until December 30, 1966.
2. During the period ended September 30, 1967, 5 common shares and 58,520 mutual fund shares were issued for cash aggregating \$149,990 of which \$58,525, equivalent to the par value of the shares sold, was allocated to share capital and the balance, \$91,465 to paid-in surplus. The mutual fund shares are redeemable at the option of the shareholder at their net asset value. The Company intends to cancel the 5 outstanding common shares and to increase the authorized capital by the creation of an additional 9,000,000 mutual fund shares and 5 common shares.
3. Management fees payable to United Funds Management Ltd. have been computed on the basis of 1% per annum of the average daily net assets. In accordance with the company's policy, the amount of the management fees in excess of net income for the period has been deducted from realized gain on sale of investments.

For these fees United Funds Management Ltd. pays all expenses of the Fund incurred in the ordinary course of business relating to its organization, management and operation with the exception of the commissions and brokerage fees on the purchase and on the sale of securities in the portfolio and the transfer taxes and taxes of all kinds to which the fund is or might be subject.

## AUDITORS' REPORT

To the Directors of

UNITED VENTURE FUND LTD.:

We have examined the statements of assets and liabilities, capital shares and surplus and investment portfolio of United Venture Fund Ltd. as at September 30, 1967 and the related statements of income and expense and changes in net assets for the period from November 14, 1966 (date of incorporation) to September 30, 1967. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances. Securities owned at September 30, 1967 were verified by confirmation received directly from the custodian.

In our opinion, these statements present fairly the financial position and investment portfolio of the fund as at September 30, 1967 and the results of its operations for the period then ended, in accordance with generally accepted accounting principles consistently applied.

Toronto, Canada,  
November 24, 1967.

CLARKSON, GORDON & Co.  
*Chartered Accountants.*

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by Part VII of the Securities Act, 1967 (British Columbia), Part 7 of The Securities Act, 1967 (Alberta), Part VIII of The Securities Act, 1967 (Saskatchewan), Part VII of The Securities Act, 1966 (Ontario), section 13 of the Securities Act (New Brunswick), the Securities Act (Quebec), and by the respective regulations made under said Acts, and there is no further material information applicable other than in the financial statements or reports where required or exigible.

Dated January 3, 1968.

(signed)      ALEX. McD. MCBAIN  
Chairman of the Board for  
Chief Executive Officer

(signed)      JOHN Wm. GALBRAITH  
Vice-President—Chief Financial Officer

On behalf of the Board of Directors

(signed)      RODNEY S. C. DONALD  
Director

(signed)      GORDON E. EDDOLLS  
Director

### Directors

ALEXANDER McDougall McBAIN  
JOHN MORROW GODFREY  
RODNEY STEWART CRAIK DONALD  
CHAUNCEY LOCKHART WADDELL  
JACQUES DE BILLY  
JOSEPH MAURICE RICHARD CORBET  
MAURICE DÉSY  
GORDON ERNEST EDDOLLS

HORACE JOHN FRASER  
HENRY RUTHERFORD JACKMAN  
WALTER CHARLES KOERNER  
ROBERT FRANCIS LYNCH  
GRAHAM MARTIN MACLACHLAN  
DONALD McINNES  
JOE JACK MERRIMAN  
GEORGE HENRY SELLERS

By his signature affixed below, Rodney S. C. Donald has, pursuant to powers of attorney duly executed and in his own right signed this prospectus on behalf of all the Directors of United Venture Fund Ltd.

(signed)      RODNEY S. C. DONALD

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by Part VII of the Securities Act, 1967 (British Columbia), Part 7 of The Securities Act, 1967 (Alberta), Part VIII of The Securities Act, 1967 (Saskatchewan), Part VII of The Securities Act, 1966 (Ontario), section 13 of the Securities Act (New Brunswick), the Securities Act (Quebec), and by the respective regulations made under said Acts, and there is no further material information applicable other than in the financial statements or reports where required or exigible. In respect of matters which are not within our knowledge we have relied upon the accuracy and adequacy of the foregoing.

(Exclusive Distributor outside Quebec)  
**UNITED INVESTMENT SERVICES LTD.**  
by (signed) JOHN Wm. GALBRAITH

(Exclusive Distributor in Quebec)  
**UNITED INVESTMENT SERVICES (QUEBEC) LTD.**  
by (signed) JOHN Wm. GALBRAITH





### **United Venture Fund Ltd.**

44 King Street West  
Toronto, Ontario

#### **INVESTMENT MANAGER**

UNITED FUNDS MANAGEMENT LTD.  
44 King Street West  
Toronto, Ontario

#### **EXCLUSIVE DISTRIBUTOR**

UNITED INVESTMENT SERVICES LTD.  
85 Richmond St. West  
Toronto, Ontario

UNITED INVESTMENT SERVICES (QUEBEC) LTD.  
1210 Sherbrooke Street West  
Montreal, Que.

#### **LEGAL COUNSEL**

CAMPBELL, GODFREY & LEWTAS  
Toronto, Ontario

#### **AUDITORS**

CLARKSON, GORDON & Co.  
Toronto, Ontario

#### **REGISTRAR AND TRANSFER AGENT**

UNITED INVESTMENT SERVICES LTD.  
Toronto, Ontario

#### **BRANCH REGISTRAR AND TRANSFER AGENT**

CANADA PERMANENT TRUST COMPANY  
Montreal, Halifax, Winnipeg, Calgary and Vancouver

#### **CUSTODIAN FOR SECURITIES**

A CANADIAN CHARTERED BANK  
44 King Street West  
Toronto, Ontario

A MUTUAL FUND  
INVESTING IN SHARES OF  
COMPANIES WITH UNUSUALLY  
HIGH GROWTH POTENTIAL

# *United Venture Fund Ltd.*

A copy of this Prospectus has been filed with the Secretary of State of Canada in accordance with the provisions of the Canada Corporations Act.

This Prospectus is not to be construed as a public offering of these shares for sale in the United States of America or in the territories or possessions thereof.

JANUARY 3, 1968

AR01



UNITED VENTURE FUND LTD.

## PROSPECTUS

March 25, 1968

THE SECURITIES OFFERED BY THIS PROSPECTUS ARE  
SPECULATIVE.

NO SECURITIES COMMISSION OR SIMILAR AUTHORITY  
IN CANADA HAS IN ANY WAY PASSED UPON THE MERITS  
OF THE SECURITIES OFFERED HEREUNDER AND ANY  
REPRESENTATION TO THE CONTRARY IS AN OFFENCE.

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# FORMULA FOR FINANCIAL SECURITY

*It is the belief of the Board of Directors of United Investment Services Ltd. that the three basic parts of a sound financial programme are:*

- 1. Cash Reserve**—For emergencies and opportunities. This reserve includes not only cash, but also assets generally considered “liquid,” of the fixed return type, including government bonds, savings accounts and investment certificates.
- 2. Adequate Insurance**—With respect to life insurance the word “adequate” will vary in amount and type of coverage depending on the circumstances of the individual concerned. During the years of family formation and development an individual should have a relatively large amount of insurance protection for minimum premium costs. Because there is need for some protection throughout life for almost all people, it is important that provision should also be made to continue at least a portion of the insurance programme throughout the individual’s life.
- 3. Investment Programme**—Along with providing a cash reserve and adequate insurance, an investment programme is needed to build capital which, in turn, should be kept working to preserve the purchasing power of that capital and to increase it in size. The Board believes that for a long term investment a mutual fund offers the best method available to accumulate capital and to provide income, for the following reasons:
  1. Broad diversification provides greater stability.
  2. Professional investment management provides constant supervision, increasing the possibility of superior investment results.
  3. Reinvestment of dividends provides a unique method of compounding earnings.
  4. Regular periodic investment forms a habit of saving and takes advantage of the investment principle of “dollar cost averaging.”

Proper financial planning involves the wise use of a person’s available dollars by weighing the relative need for cash reserve, insurance and investment programme, then allotting the proper ratio to each, recognizing that the ratio will vary with each person’s circumstances.

**Note: In view of the fact that United Venture Fund Ltd. is speculative and therefore investment in its shares involves a greater than average degree of risk, it should be considered only by those who can afford to speculate. It is recommended that the Venture Fund should ordinarily form part only of the investment which the average investor should set aside for long term investment in mutual funds.**

# UNITED VENTURE FUND LTD.

## PART I—THE OFFERING

### (a) General

United Venture Fund Ltd., a Canadian mutual fund, (hereinafter called "Venture Fund" or the "Fund"), having its assets invested in a portfolio consisting primarily of equity shares in Canadian and American companies, offers its mutual fund shares and investment plans for the purchase of shares through United Investment Services Ltd., exclusive distributor, (except in the Province of Quebec) and United Investment Services (Quebec) Ltd., exclusive distributor for the Province of Quebec, (the said distributors are hereinafter individually and collectively referred to as "United"). The assets of Venture Fund are managed by United Funds Management Ltd. (hereinafter called the "Manager"). United Investment Services Ltd. acts as Custodian of Venture Fund shares held under investment programmes and when acting in that capacity it is hereinafter referred to as the "Custodian".

### (b) Investment Policy

Venture Fund's professional investment Managers will direct their skills at realizing an unusually high growth on investments and to this end Venture Fund will accept the high degree of risk that is usual to investment in aggressive companies, including smaller companies, that are taking advantage of technological changes and advances in engineering, production and marketing techniques, recognizing that to capitalize on such advantages and potential they must face the possibility of individual or even collective losses. The Fund's professional Managers will endeavour to minimize the risk and achieve the desired high level of growth by constant appraisal of management, product and market complemented by a wide degree of diversification to offset individual setbacks. The primary objective of the Fund will be to invest in shares of companies of any country which appear to have exceptional possibilities for appreciation.

Investments in special situations may be emphasized by the management of Venture Fund, especially investments in shares of companies which are pioneering new developments of an industrial or scientific nature even though these companies may be small. Investments may be made in speculative mining securities if, in the opinion of management, circumstances appear to warrant such investments although such investments shall not be emphasized.

Investments shall be made primarily in the light of the foregoing investment policy even though such investments may involve a greater than average degree of risk and may have an adverse effect on the rate of income of Venture Fund and shall be made without regard to the qualification or disqualification of the Fund as an investment company within the meaning of the Income Tax Act of Canada. The Fund may take a defensive position if, in the opinion of management, this appears to be in the shareholders' best interests. Investments will not be restricted by reason of class or kind of industry.

### (c) Performance

Venture Fund first established its portfolio on December 30, 1966 from money received from the sale of an initial issue of mutual fund shares to United Funds Management Ltd., at \$2.30 per share. Shares of the Fund were first offered for purchase by the public on January 9, 1968. As of March 1, 1968 the net asset value of the Fund was \$12,280,721

A report, including the portfolio and the per share asset value, will be mailed to shareholders quarterly annually. The net asset value per share will be calculated and made public on each day that The Toronto Stock Exchange is open.

**(d) Per Share Income and Capital Changes**

As of December 30, 1966 the per share value of Venture Fund was \$2.30. During the following fourteen months, the Fund experienced net realized and unrealized gains and losses of a total of \$2.05 per share resulting in a net asset value as of February 29, 1968 of \$4.35 per share.

**(e) Dividend Policy**

It is the intention of the Fund to distribute as closely as possible all of its net income by way of dividends to be paid once yearly after the end of each fiscal year. Such dividends will be automatically reinvested in additional shares for the account of the shareholder at net asset value, that is, with no sales commission charged. When the initial dividend is reinvested, a share account is established for the investor on the books of United. The shares purchased with the initial and each subsequent dividend are credited to the share account of the investor in the same manner and subject to the same conditions as a share account established under a Systematic Investment Programme.

**(f) Tax Status of Shareholders**

Individual shareholders are subject to income tax on dividends paid by the Fund and reinvested in additional shares of the Fund on their behalf. Individual shareholders resident in Canada are entitled to a tax credit equal to 20% of the net dividends so received. Shareholders who are taxable Canadian corporations are not subject to income taxes on any dividends paid by the Fund.

**(g) Tax Status of Venture Fund**

The Fund is taxed in Canada as a normal Canadian corporation. The Canadian income taxes can be reduced by the tax withheld from income received from abroad as provided in Canadian tax legislation. Dividends received from most Canadian companies are exempt from Canadian income tax.

Venture Fund expects to conduct its investment activities in such a manner that capital gains realized on the sale of securities will not be subject to Canadian taxes.

## *PART II—METHODS OF PURCHASE*

Shares of the Fund are available in the following ways:

**(a) Single Investment Purchases**

Investors may purchase the mutual fund shares directly from United with an initial investment in any amount not less than \$500 and subsequent investments of at least \$100 each whenever the investor desires. The price will be the issue price (as defined in paragraph (c) of this Part II) prevailing at the time such investments are received in bankable funds at the principal office of United in Toronto or the time when the sale is specifically confirmed by telephone, telex or wire by United from its principal place of business in Toronto. A share certificate of the Fund is issued for such mutual fund shares and fractions thereof. Dividends on shares so purchased will be automatically reinvested in additional shares for the account of the shareholder at net asset value, that is, with no sales commission charged.

At the investor's request, the shares may be transferred to a Systematic Investment Programme upon payment of a \$2.00 transfer fee.

An investor in a Single Investment Purchase may liquidate from time to time a part of his shares provided that upon any such partial liquidation United shall be entitled to deduct from the proceeds a service fee of \$1.50.

## **(b) Systematic Investment Programme**

Investors may also purchase the mutual fund shares through a Systematic Investment Programme. The price will be the issue price (as defined in paragraph (c) of this Part II) prevailing at the time such investments are received in bankable funds at the principal office of United in Toronto or the time when the sale is specifically confirmed by telephone, telex or wire by United from its principal place of business in Toronto. The Programme provides for an initial investment of at least \$500 and subsequent investments of at least \$100 each whenever the investor desires. Investments made by the investor are applied to the purchase of shares (including fractional shares).

When the initial investment is made a share account is established for the investor on the books of United. The shares purchased with the initial and each subsequent investment are credited to the share account of the investor but will be registered on the books of the Fund in the name of United Investment Services Ltd. as "Custodian" for the investor.

Dividends thereon will be received and reinvested by the Custodian in more shares for the investor at net asset value without deduction of sales charge or service fees. At the request of the investor United will obtain a certificate in the name of the investor for the shares evidenced by the share account. When a certificate is requested for the total number of shares held in the account, there will be no charge to the investor for such a transfer; however, where a certificate is requested for only a portion of the shares in the account then the transfer shall be subject to a transfer fee of \$2.00.

An investor in a Systematic Investment Programme may liquidate from time to time a part of his shares held under the Programme provided that upon any such partial liquidation United shall be entitled to deduct from the proceeds a service fee of \$1.50. A minimum balance of \$100 must be left invested at the time of liquidation or United has the right to redeem the whole investment and close the account.

## **(c) Issue Price and Acquisition Charges**

The issue price of each mutual fund share shall be the net asset value thereof then in effect plus the sales commission payable to United. Sales commission is payable on application. The issue price on sales of less than \$5,000 will be 100/91st, adjusted to the nearest cent per share, of the net asset value per share of the Fund, in effect at the time of sale, determined in accordance with the provisions of its Letters Patent. On such sales a commission is retained by United equal to 9% of the issue price per share which will be reduced, as shown in the following paragraphs, in respect of individual sales of mutual fund shares of \$5,000 or more with a corresponding reduction in the issue price so that the net amount Venture Fund will receive after deduction of sales commission will always be the net asset value per share of its shares in effect at the time of sale, being the time payment is received by United in bankable funds at its principal office in Toronto or the time when the sale is specifically confirmed by telephone, telex or wire by United from its principal place of business in Toronto. The foregoing commission is eliminated with respect to any purchases of shares resulting from the automatic reinvestment of dividends. No commission is payable on shares purchased by Directors of the Fund. Further, at the discretion of United, the commission may be reduced or eliminated with respect to any purchase by directors, officers, employees, managers or representatives of the Manager, United or any associate or affiliate of United for their accounts; provided that in such cases the shares so purchased may not be transferred during the lifetime of such persons. If they are so transferred the appropriate commission will be payable. On any such reductions or elimination of commission as aforesaid the issue price is reduced by a like amount.

The commission of 9% of the issue price retained by United under the foregoing paragraph is reduced on individual sales of \$5,000 or more as follows:

on a sale of \$ 5,000 to \$ 14,999 the rate is 8 $\frac{3}{4}$ %  
on a sale of \$ 15,000 to \$ 24,999 the rate is 8 $\frac{1}{2}$ %  
on a sale of \$ 25,000 to \$ 49,999 the rate is 6%  
on a sale of \$ 50,000 to \$ 74,999 the rate is 5%  
on a sale of \$ 75,000 to \$ 99,999 the rate is 4%  
on a sale of \$100,000 to \$149,999 the rate is 3 $\frac{1}{2}$ %  
on a sale of \$150,000 to \$199,999 the rate is 2 $\frac{1}{2}$ %  
on a sale of \$200,000 to \$499,999 the rate is 2%  
on a sale of \$500,000 or more the rate is 1%

The above graduated sales commissions will apply on initial purchases and also on any subsequent purchases to the extent that the total investment of the shareholder, to the time of and including such subsequent purchase and any investments made in United Accumulative Fund Ltd. or any other Fund managed by the Manager and qualified for sale, exceeds \$4,999, provided that the shares previously purchased are still registered in his name.

The above graduated sales commissions may, with the consent of United, also be reduced if a Letter of Intent is signed at the time of the original purchase. By signing a Letter of Intent the client signifies his intention to invest a specific sum of money in Funds offered by United during the next thirteen months. Provided that if such Letter of Intent is signed, the client will pay commissions on investments made in mutual funds offered by United at the rate set out above applicable to the total of the intended investment even though the investments he may make from time to time during the thirteen-month period would, if a Letter of Intent had not been signed, be processed at the above graduated rate according to the total amount invested at the time each of the individual sales is made. If he does not achieve his objective within the said thirteen-month period United has the right to liquidate (a) shares to the value of \$10.00 and (b) such number of shares or fractions of shares as were initially purchased by the difference in commission resulting from applying the lower rate of commission actually charged instead of the rate of commission which would otherwise have applied if a Letter of Intent had not been signed, together with such shares as were purchased from reinvested dividends thereon. The proceeds shall be used to compensate for the higher sales charges that would have been paid if a Letter of Intent had not been signed, and to compensate United for administration charges at the rate of \$10.00 for each uncompleted Letter of Intent.

Out of the commissions and service charges retained or received by United it will defray all expenses in connection with the offering and sale of mutual fund shares including commissions allowed by it to sub-distributors.

#### **(d) Transfers from other United Funds**

A holder of shares of United Accumulative Fund Ltd. or of any other mutual fund managed by the Manager and offered for sale through United (hereinafter called the "other United Fund") may transfer part or all of his investment in such other United Fund (excepting Periodic Investment Plan and Registered Retirement Savings Plan investments) to an investment in shares of the Fund in any form offered by this prospectus by filling out the required forms for redemption of shares of the other United Fund and submitting them together with the appropriate application for the desired investment in the Fund. If the foregoing procedure is followed, the sales commission provided in this prospectus will not be charged, but the following charges will be made: (a) in all cases a service charge of \$5.00, and (b) where such transfer is by way of redemption of part only of an account then a minimum balance of \$100 must be left in such account and an additional service charge of \$1.50 will be made for such partial redemption, and (c) in

cases where the net asset value of the transferor's cumulative investments in mutual funds offered for sale by United (less liquidations) is less than \$25,000 at the day of transfer, a charge will be made representing the difference in commission rate established in this prospectus and the rate established in the prospectus of the mutual fund being liquidated for transfer (as such rates relate to the net asset value of the shares then in the transferor's accounts) times the amount being transferred. The foregoing charges will be deducted by United from the amount being transferred in respect of each transfer being made.

### **PART III—VALUATION AND REDEMPTION OF SHARES**

Matters related to the frequency of valuation, method of valuation, the effective time of change in value and the redemption of mutual fund shares ("share") have been established by the Letters Patent and resolutions of the Board of Directors of the Fund and among other things provide for the following:

#### **(a) Frequency of Valuation**

The net asset value of each share will be determined at the times and in the manner set out in this paragraph (a) and shall take effect at the times and for the purposes set out in paragraphs (c) and (d) of this part and any determination of net asset value so made shall be binding on all parties.

The Board of Directors of the Fund (the "board") has the power and duty to determine the net asset value of each mutual fund share and such net asset value will be determined:

- (i) as of the close of business of either The Toronto Stock Exchange or the New York Stock Exchange on each day when either of the said exchanges is open for trading, and in addition,
- (ii) at any particular time selected by the board on any day.

Provided, however, that the board may declare a suspension of the determination of net asset value for the whole or any part of any period (1) during which The Toronto Stock Exchange or the New York Stock Exchange is closed other than customary weekend and holiday closings, (2) during which trading on The Toronto Stock Exchange or the New York Stock Exchange is restricted, (3) during which an emergency exists as a result of which disposal by the Fund of securities owned by it is not reasonably practicable or it is not reasonably practicable for the Fund fairly to determine the value of its net assets or (4) for such other periods as any governmental body having jurisdiction over the Fund may by order permit for the protection of the holders of mutual fund shares. Such suspension shall take effect at such time as the board shall specify but not later than the close of business on the business day next following the declaration and thereafter there shall be no determination of asset value until the board shall declare the suspension at an end, except that the suspension shall terminate in any event on the first day on which (a) the condition giving rise to the suspension shall have ceased to exist and (b) no other condition under which suspension is authorized shall exist. To the extent not inconsistent with official rules and regulations promulgated by any governmental body having jurisdiction over the Fund, any such declaration of the board shall be conclusive.

The board has the power to delegate certain of its powers and duties and, by resolution, it delegated to the Chairman of the Board, the President, the Executive Vice-President or any other Vice-President of the Fund its powers and duties to (a) determine the net asset value when required to be determined as herein provided, and (b) if, in his opinion, it is reasonable so to do, to establish the time as of when the net asset value shall be determined while The Toronto Stock Exchange or the New York Stock Exchange is open and the period of time during which such net asset value shall remain in effect.

### **(b) Method of Determining Net Asset Value**

The net asset value of each share shall be determined in accordance with the Letters Patent of the Fund as follows:

The net asset value of each share as of any particular time shall be the quotient obtained by dividing the value, as at such time, of the net assets of the Fund (i.e. the value of the assets of the Fund less its liabilities) by the total number of shares outstanding at such time.

The value of any bond, time note, share of stock, subscription right or other security which shall be listed or dealt with upon any stock exchange shall be determined as of the close of business by taking the last sale price (or lacking any sales, a price not higher than the closing asked price and not lower than the closing bid price therefor as the board may from time to time determine) on the date as of which the net asset value is being determined, all as reported by any means in common use, and, in the case of determination made other than as of the close of business, the latest available quotations (i.e. last sale on the date or latest bid and asked if no sale on that day) shall be used, provided, however, that the board may by resolution permit over-the-counter rather than stock exchange quotations to be used when they appear to the board or its delegate to reflect more closely the fair value of any particular security in the portfolio.

In the case of any bond, time note, share of stock, subscription right, other security or other property for which no price quotation is available as above provided, the fair value thereof shall be determined from time to time in such manner as the board shall from time to time provide by resolution and by resolution it has provided that the value of any bond, time note, share of stock, subscription right or other security or other property which is not listed on a recognized stock exchange shall be determined by taking the last ascertainable sale price thereof or, in the event of any lack of sales or in the event that any of the officers of the Fund then having the power and duty to determine the net asset value of the shares is of the opinion that such last ascertainable sale price does not accurately reflect the value of such security or property, then such value shall be determined by taking a price not higher than the last quoted asking price and not lower than the last quoted bid price as any such officers may from time to time determine.

### **(c) Effective Time of Change in Value**

The net asset value of each share determined as of the close of business of The Toronto Stock Exchange or the New York Stock Exchange shall become effective one hour after such close of business and shall remain in effect until the net asset value which is next determined becomes effective. The net asset value of each share determined as of any other time shall become effective as of the time as of which such determination was made or such other time as may be determined by the board or its delegate and shall remain in effect for a period of time to be established by the board or its delegate, but in any event, when established by a delegate of the board, such net asset value shall not remain in effect later than one hour after the close of business of The Toronto Stock Exchange or the New York Stock Exchange next following the time as of which such determination became effective.

### **(d) Redemption**

Shares may be redeemed without charge at the option of the shareholder but not at the option of the Fund as follows:

On any day when The Toronto Stock Exchange is open for trading any holder of record of shares desiring to dispose of his shares may surrender them by depositing them for redemption.

Any shares deposited for redemption before 4:30 o'clock in the afternoon shall be redeemed at the net asset value next determined after the deposit of such shares for redemption is completed. If such deposit for redemption is completed after 4:30 o'clock in the afternoon they shall be redeemed at the net

asset value next determined as of a time after The Toronto Stock Exchange or the New York Stock Exchange next opens for trading.

Deposit for redemption shall be completed only when the certificates representing the shares deposited have been delivered to and received by United Investment Services Ltd. at its head office in Toronto or by United Investment Services (Quebec) Ltd. at its principal office in Toronto duly endorsed and accompanied by a proper instrument of transfer in form satisfactory to the Fund and with signature guaranteed by a Canadian Bank, a Canadian Trust Company or a Caisse Populaire together with a clear request that such shares be accepted for surrender.

Payment for such shares shall be made by the Fund to the shareholder of record within seven (7) business days after the date upon which the shares are deposited plus any period after such deposit and before such payment during which the determination of net asset value has been suspended by declaration of the board. If the determination of the surrender price is postponed beyond the date on which it would normally occur by reason of a declaration by the board suspending determination of net asset value the right of the shareholder to have his shares accepted for surrender by the Fund shall be similarly suspended and he may withdraw his certificate or certificates from deposit, or, if he does not so withdraw his certificate or certificates, the surrender price shall be the net asset value determined as of the close of business upon the first day, after suspension, upon which such a determination is made. Payment by the Fund for such shares so surrendered shall be made by cheque payable to the registered owner thereof except that, if, in the opinion of the board of directors, which shall be conclusive, conditions exist which make payment wholly in cash unwise or undesirable, the Company may make payment wholly or partly in securities or other property, the value of which shall be determined as of the time the value of the shares surrendered is determined.

Where shares are to be redeemed from a Systematic Investment Programme, they must all be redeemed unless the balance remaining in the Programme is \$100 or more of net asset value at the day of redemption. A service fee of \$1.50 is charged where part only of a Systematic Investment Programme is redeemed.

#### PART IV—THE ISSUER

##### (a) Corporate Information

The Fund, being the Issuer of the securities offered, was incorporated under the laws of Canada by Letters Patent dated November 14, 1966. Its head office and principal place of business is at 44 King Street West, Toronto, Ontario.

The Fund was organized and promoted by the Manager and established its initial portfolio by the sale to the Manager of 43,480 mutual fund shares at \$2.30 per share none of which have been redeemed.

##### (b) Directors and Officers

The names, home addresses and present occupations of the directors and of the officers of the Fund are as follows:

**ALEXANDER McDougall McBAIN**, 35 Cluny Drive, Toronto, Ontario, CHAIRMAN OF THE BOARD and DIRECTOR.

\*Chairman of the Board and Director of United Accumulative Fund Ltd., and United American Fund Ltd.; Vice-President and Director of United Funds Canada—International Ltd.; Director of United Funds Management Ltd., United Investment Services Ltd. and United Investment Services (Quebec) Ltd., United Investment Life Assurance Company, The Stanstead & Sherbrooke Insurance Co., and other Canadian corporations.

\*Prior to February, 1967—President of United Accumulative Fund Ltd.

\*Principal occupation within the five preceding years.

**JOHN MORROW GODFREY, Q.C.,** 99 Elm Avenue, Toronto, Ontario, PRESIDENT and DIRECTOR.

\*A senior partner in the law firm of Campbell, Godfrey & Lewtas, Toronto; President and Director of United Accumulative Fund Ltd., and United American Fund Ltd.; Secretary of United Funds Canada—International Ltd.; Director of United Funds Management Ltd., United Investment Services Ltd., United Investment Life Assurance Company, Canadian Admiral Corporation, Ltd., Dover Industries Limited, and other Canadian corporations.

**RODNEY STEWART CRAIK DONALD,** 87 Roxborough Drive, Toronto, Ontario, EXECUTIVE VICE-PRESIDENT and DIRECTOR.

\*President and Director of United Funds Management Ltd.; Executive Vice-President and Director of United Accumulative Fund Ltd., United American Fund Ltd., and United Funds Canada—International Ltd.; Director of United Investment Services Ltd. and United Investment Life Assurance Company.

**CHAUNCEY LOCKHART WADDELL,** 1 Beekman Place, New York, New York, VICE-PRESIDENT and DIRECTOR.

\*Chairman of the Board and Director of Waddell & Reed, Inc., United Investment Services Ltd., and United Funds Management Ltd.; President and Director of Waddell & Reed International Ltd., and United Funds Canada—International Ltd.; Vice-President and Director of United Funds, Inc., United Accumulative Fund Ltd., and United American Fund Ltd.; Director of United Investment Services (Quebec) Ltd.

**ROBERT FRANCIS LYNCH,** 3 Dogwood Hill, Brookville, New York, VICE-PRESIDENT and DIRECTOR.

Vice-President and Director of United American Fund Ltd., United Funds Management Ltd., and United Funds Canada—International Ltd.; \*Secretary-Treasurer and Director of Waddell & Reed International Ltd.

\*Prior to appointment he was associated with Intercontinental Advisory Corporation Ltd. since 1961.

**JACQUES DE BILLY, Q.C.,** 1410 Oak Avenue, Quebec City, Quebec, DIRECTOR.

\*A senior partner in law firm of Gagnon, de Billy, Cantin & Dionne, Quebec City; Director of United Accumulative Fund Ltd., United American Fund Ltd., Munich Reinsurance Company of Canada, La Sauvegarde Life Insurance Company, the Royal London Lancashire Insurance Group, Desjardins Mutual Life Assurance Company, Direct Motor Express Limited, Levis Ferry Limited and a Canadian Chartered Bank.

**JOSEPH MAURICE RICHARD CORBET,** 40 Glen Edyth Place, Toronto, Ontario, DIRECTOR.

Director of United Accumulative Fund Ltd., United American Fund Ltd., \*Area Mines Limited, Canada Tungsten Mining Corp. Ltd., Canada Permanent Trust Company, Global General Insurance Co., Global Life Insurance Co., Mattagami Lake Mines Limited, Lake Dufault Mines Limited, and other Canadian corporations.

\*Prior to December, 1965, President of Area Mines Limited.

\*Principal occupation within the five preceding years.

**MAURICE DÉSY, Q.C.**, 3524 Ontario Avenue, Montreal, Quebec, DIRECTOR.

\*Counsel to the law firm of Doheny, Day, Mackenzie & Lawrence, Montreal; Director of United Accumulative Fund Ltd., United American Fund Ltd., and United Investment Life Assurance Company.

\*Prior to October, 1965, Chairman of the Quebec Securities Commission.

**GORDON ERNEST EDDOLLS**, 1 Highland Gardens, Toronto, Ontario, DIRECTOR.

\*President and Director of United Investment Services Ltd, United Investment Services (Quebec) Ltd. and United Investment Life Assurance Company; Vice-President and Director of United Funds Management Ltd.; Director of United Accumulative Fund Ltd., United American Fund Ltd.

\*Prior to January, 1965, Executive Vice-President and Director of United Investment Services Ltd.

**HORACE JOHN FRASER**, Lost Herd Farm, Palgrave, Ontario, DIRECTOR.

\*President and Managing Director of Falconbridge Nickel Mines Limited; President and Director of United Keno Hill Mines Limited, Dominion Magnesium Limited, Industrial Minerals of Canada Limited; Director of United Accumulative Fund Ltd., United American Fund Ltd., Crown Trust Company, McIntyre Porcupine Mines Ltd., a Canadian Chartered Bank, and other corporations.

**HENRY RUTHERFORD JACKMAN, Q.C.**, 35 Rosedale Road, Toronto, Ontario, DIRECTOR.

\*President and Director of Dominion and Anglo Investment Corporation Ltd.; Chairman of the Board and Director of The Empire Life Insurance Company; Director of United Accumulative Fund Ltd., United American Fund Ltd., United Funds Canada—International Ltd., Dominion of Canada General Insurance Company, Canada Permanent Trust Company, Algoma Central Railway, a Canadian Chartered Bank, and other corporations.

**WALTER CHARLES KOERNER, C.C., K. St. J., LL.D.**, 1203 Matthews Avenue, Vancouver, British Columbia, DIRECTOR.

\*Chairman of the Board and Director of Rayonier Canada Ltd., Director of Rayonier Incorporated, New York, United Accumulative Fund Ltd., United American Fund Ltd., Canadian National Railways, Air Canada, a Canadian Chartered Bank, and other corporations.

**GRAHAM MARTIN MacLACHLAN**, 17 Valleyanna Drive, Toronto, Ontario, DIRECTOR.

\*President and Director of Maple Leaf Mills Ltd.; Director of United Accumulative Fund Ltd., United American Fund Ltd., United Investment Life Assurance Company, Canada Bread Company, Limited, McGavin ToastMaster Limited, Eastern Bakeries Limited, United Funds Canada—International Ltd., Eagle Star Insurance Company Group, and other Canadian corporations.

**DONALD McINNES, Q.C.**, 5780 Inglis Street, Halifax, Nova Scotia, DIRECTOR.

\*A senior partner in the law firm of McInnes, Cooper & Robertson of Halifax; Chairman of the Board and Director of Fairey Canada Limited, and Canada Permanent Trust Company; Vice-President and Director of a Canadian Chartered Bank; Director of United Accumulative Fund Ltd., United American Fund Ltd., Nova Scotia Savings & Loan Company, United Elastic Limited, The Maritime Life Assurance Co., and other Canadian corporations.

**JOE JACK MERRIMAN**, 6540 Overhill Road, Shawnee Mission, Kansas, DIRECTOR.

\*President and Director of Waddell & Reed, Inc. and United Investors Life Insurance Company; Vice-President and Director of United Funds, Inc.; Director of United Funds Manage-

\*Principal occupation within the five preceding years.

ment Ltd., United Funds Canada—International Ltd., United Accumulative Fund Ltd., United American Fund Ltd., United Investment Services Ltd., United Investment Life Assurance Company, and Waddell & Reed International Ltd.

\*Prior to May, 1965, President of United Investors Life Insurance Company.

**GEORGE HENRY SELLERS**, Riverbend Farms, R.R. #1, Headingley, Manitoba, DIRECTOR.

\*President and Chief Executive Officer of Federal Grain Ltd.; Vice-President of Pacific Elevators Ltd.; Director of United Accumulative Fund Ltd., United American Fund Ltd., Canada Malting Co. Ltd., Greater Winnipeg Gas Company, Grain Insurance & Guarantee Co., Standard Aero Engine Ltd., and a Canadian Chartered Bank.

John William Galbraith, 1066 Argyle Drive, Oakville, Ontario, *Vice-President*; \*Vice-President and Director of United Investment Services Ltd., United Investment Services (Quebec) Ltd., United Funds Management Ltd., and United Investment Life Assurance Company; Vice-President of United Accumulative Fund Ltd., United American Fund Ltd., and United Funds Canada—International Ltd. • Ralph Horner, 38 Astley Avenue, Toronto, Ontario, *Vice-President*;

\*Vice-President and Director of United Funds Management Ltd.; Vice-President of United Accumulative Fund Ltd., United American Fund Ltd., and United Funds Canada—International Ltd. • William Roy Miller, 34 Markham Road, Scarborough, Ontario, *Treasurer*; Treasurer of United Funds Management Ltd., \*United Investment Services Ltd., United Investment Services (Quebec) Ltd., United Accumulative Fund Ltd., United American Fund Ltd., United Investment Life Assurance Company, and United Funds Canada—International Ltd. \*Prior to April

1965, he was associated with Clarkson, Gordon & Co. • Stanley Roy Anderson, 61 East Willow Gate, West Hill, Ontario, *Secretary*; Secretary of United Funds Management Ltd., \*United Investment Services Ltd., United Investment Services (Quebec) Ltd., United Accumulative Fund Ltd., United American Fund Ltd., and United Investment Life Assurance Company. \*Prior to April 1965, he was in private law practice and prior to June 1963, associated with Anthes Imperial Ltd. • Evelyn Grace Scott, 31 Roehampton Avenue, Toronto, Ontario, *Assistant Secretary*;

\*Assistant Secretary of United Funds Management Ltd., United Accumulative Fund Ltd., United American Fund Ltd., United Investment Services Ltd., and United Investment Services (Quebec) Ltd. • George Tiviluk, 27 Whitehall Road, Toronto, Ontario, *Assistant Secretary*; \*Partner with the law firm of Campbell, Godfrey & Lewtas, Toronto; Assistant Secretary of United Accumulative Fund Ltd., and United American Fund Ltd. • Frank Garth Collins, 46 Mandel Crescent, Willowdale, Ontario, *Assistant Treasurer*; \*Assistant Treasurer of United Investment Services Ltd., United Investment Services (Quebec) Ltd., United Funds Management Ltd., United Accumulative Fund Ltd., and United American Fund Ltd. • William Ferguson Eldon Tucker, 11 Richelieu Road, Downsview, Ontario, *Assistant Treasurer*; \*Assistant Treasurer of United Funds Management Ltd., United Accumulative Fund Ltd., and United American Fund Ltd. since April 19, 1966. (\*Previously, since 1962, a student with the firm of Coopers & Lybrand.)

### (c) Management of the Fund

Under the terms of an Agreement dated December 30, 1966 and amended December 20, 1967, the Fund engaged United Funds Management Ltd., as Manager, to provide and pay for adequate office space and equipment in the City of Toronto for the head office of the Fund and any other expenses incidental to the operation thereof, including the paying of salaries of certain officers and of sufficient personnel required to keep the financial accounts of the Fund, to calculate each day the net asset value of the mutual fund shares and for the placing of orders for the purchase and sale of securities on behalf of the Fund. The

\*Principal occupation within the five preceding years.

Manager has agreed to pay the salaries, if any, of the Chairman of the Board and of the President of the Fund, the amount of such salaries to be determined from time to time by the Board of Directors of the Fund, having due regard to the duties and responsibilities of the officers then in office. The Issuer is not responsible to pay the salaries or remunerations of any other officer or employee. The remuneration for the services performed by the Manager is referred to in paragraph (a) of Part V.

## **PART V—INVESTMENT MANAGEMENT**

### **(a) The Manager**

United Funds Management Ltd., a professional investment management company, incorporated under the laws of Canada, with head office and principal place of business at 44 King Street West, Toronto, Ontario, is the Manager of the assets of the Fund. Under the said Agreement dated December 30, 1966, the Manager is responsible to supervise, manage and direct the investment of the cash, securities and other property comprising the assets of the Fund and to recommend what securities should be purchased or sold and what portion of the Fund's assets shall be held uninvested subject always to the Fund's investment policy as adopted from time to time and to the provisions of the Fund's Letters Patent, Supplementary Letters Patent and By-laws as each of the same shall be from time to time amended and to the decisions and determinations of the Fund's Board of Directors. The Manager is a company which has been engaged in the business of advising and managing the following mutual funds: From September, 1954 to January 4, 1965—United Funds Canada Ltd.; from September 16, 1957 and continuing—United Accumulative Fund Ltd.; from June 30, 1967 and continuing—United American Fund Ltd.; from September, 1963 to January, 1965—United International Fund Ltd.; from January 4, 1965 and continuing—United Funds Canada—International Ltd., being the continuing company after the merger of United Funds Canada Ltd. and United International Fund Ltd. Each of the foregoing mutual funds carried on a similar business to that of the Fund.

For all services and facilities which the Manager will provide for the Fund, it will be paid on the first day of each month in respect of the next preceding month an amount equal to 1/365th of 1% of the value daily of the net assets of the Fund computed for each day in the month. For these fees, the Manager pays all expenses of the Fund incurred in the ordinary course of business relating to its organization, management and operation, with the exception of the commissions and brokerage fees on the purchase and on the sale of securities in the portfolio and the transfer taxes and taxes of all kinds to which the Fund is or might be subject. The foregoing is in compliance with limits set by regulatory bodies with respect to management fees and other expenses. The Fund has adopted the policy of deducting from realized gains on the sale of investments the amount, if any, by which the management fee for the fiscal year exceeds net income for the fiscal year.

### **(b) Directors and Officers of the Manager:**

The Chief Executive officers and directors of the Manager are as follows:

Chairman of the Board and Director.....	CHAUNCEY LOCKHART WADDELL
President and Director.....	RODNEY STEWART CRAIK DONALD
Vice-President and Director.....	GORDON ERNEST EDDOLLS
Vice-President and Director.....	JOHN WILLIAM GALBRAITH
Vice-President and Director.....	RALPH HORNER
Vice-President and Director.....	ROBERT FRANCIS LYNCH
Director.....	JOHN MORROW GODFREY, Q.C.
Director.....	ALEXANDER McDougall MCBAIN
Director.....	JOE JACK MERRIMAN

*Secretary*, Stanley Roy Anderson; *Treasurer*, William Roy Miller; *Assistant Secretaries*, Evelyn Grace Scott and Dennis Harold Greenwald; *Assistant Treasurers*, Frank Garth Collins, Gerald Gilbert and William Ferguson Eldon Tucker.

All of the foregoing, with the exception of Dennis Harold Greenwald and Gerald Gilbert, are directors or officers of the Fund. Information regarding those who are directors or officers of the Fund is set out in paragraph (b) of Part IV hereof.

Dennis Harold Greenwald resides at 10834 Madison, Kansas City, Missouri and is a Vice-President and an Assistant to the Counsel of Waddell & Reed, Inc. Prior to April 1963, he was associated with the New York law firm of Valicenti, Leighton, Reid & Pine.

Gerald Gilbert resides at 5805 State Line Road, Kansas City, Missouri and during the last 5 years he has been a Vice-President and Director of Waddell & Reed, Inc.

#### **(c) Portfolio Management**

The Manager retains a staff of professional and trained investment analysts who analyse and study data, information and recommendations obtained from all available sources including direct discussion with management of the company whose securities are being considered and recommendations and studies offered by brokers and economists. All purchases and sales of securities must be authorized by the senior officer or analyst of the Manager present at the time of approval of such purchase or sale. A senior officer of the Fund must be satisfied that all requisite procedural action has been taken before he approves payment for or delivery of securities. Each member of the Board of Directors of the Fund and each member of the Board of Directors of the Manager is provided with a detailed weekly report of such purchases and sales. The portfolio is further considered at meetings of the Directors of the Fund and of the Manager. Transactions are normally arranged through a large number of brokerage houses. Payments for and settlement of transactions are formally carried out by the portfolio Custodian, a Canadian Chartered Bank. The Manager and its personnel never have custody of any securities at any time. Brokerage fees are paid at the most favourable rates available to the Fund and permitted by the rules of the appropriate stock exchange where applicable. Brokerage business is allocated where feasible to compensate brokers for information and studies to assist in obtaining a better performance of the Fund. The total cost of securities of the Fund portfolio purchased from commencement of business to November 30, 1967 was \$274,961.

#### **(d) Investment Restrictions**

The Fund will be operated as a fully managed mutual fund. It has the power to invest in and hold for investment and sell securities of any other company or of any country or political subdivision thereof. Under the By-laws of the Fund (which cannot be changed without shareholder approval) it:

1. shall not borrow money or hypothecate, mortgage or pledge any of its property, real or personal, movable or immovable;
2. shall not purchase on margin securities of any sort;
3. shall not sell or contract to sell any security which it does not own, unless by virtue of the ownership of other securities it has at the time of sale a right to obtain securities equivalent in kind and amount to the securities sold, and further provided that if such right is conditional, the sale is made upon the same conditions;
4. shall not underwrite or participate in the underwriting of any securities;
5. shall not participate on a joint or joint and several basis in any trading account in securities;

6. shall not lend any of its funds or other assets to any person, directly or indirectly, other than through the purchase, in accordance with the investment policies of the Fund, of securities of a person who does not control and is not under common control with the Fund;
7. shall not purchase or otherwise acquire any security issued by or any other interest in the business of any person who is a broker or dealer or is engaged in the business of underwriting or is an investment dealer;
8. shall not knowingly acquire any security:
  - (a) if, after giving effect thereto, the Fund would own, control or hold with power to vote 10% or more of the outstanding voting securities of any other company;
  - (b) of an issuer (other than securities issued or guaranteed by Canada, any province thereof, or the Government of the United States of America) if, after giving effect thereto, the Fund would have invested more than 10% of its net assets determined in accordance with the provisions of its Letters Patent, in securities of such issuer;
9. shall not deal with its own officers or directors or any firm in which any officer or director may have an interest or be an employee thereof, as principals in making purchases or sales of securities (other than common or mutual fund shares which may be issued by the Fund itself); provided that any officer or director of the Fund may, either directly or through a firm, act as a broker and they may accept the customary commissions in the purchase and sale of securities by or for the account of the Fund and may act as a dealer in connection with the purchase or sale of any common or mutual fund shares issued by the Fund;
10. shall not purchase or sell real estate;
11. shall not purchase or sell commodities or commodity contracts;
12. shall not purchase securities of its management company, underwriter or contractual distributor; or
13. shall not issue purchase warrants or any obligations, bonds, notes, debentures or other senior securities.

In addition to the foregoing restrictions of the Fund's investment policy, it:

- (i) shall not purchase securities which are the object of an initial sale or distribution, unless (a) such securities may be lawfully sold in the jurisdiction in which the Fund and/or the Manager are situate, and/or (b) such securities may be lawfully sold in the jurisdiction in which the issuer is situate;
- (ii) shall not invest in any security which may, by its terms, require the Fund to make an additional contribution;
- (iii) shall not invest in the securities of another "open-end" mutual fund, but where it appears to the Manager to be in the interest of the Fund, it may invest in securities of other forms of Investment Companies;
- (iv) shall not purchase securities other than through normal public market facilities unless the purchase price approximates the prevailing market price or is negotiated on an arm's length basis;
- (v) requires any director, officer or employee of the Fund or the Manager engaged in investment research or participating in any way in any investment decision with respect to the securities of a company in which such director, officer or employee has any interest, direct or indirect, to disclose immediately such interest;
- (vi) shall not invest in mortgages.

### **(e) Custodian of Portfolio Securities**

Securities and cash owned by the Fund are deposited for safekeeping with and are kept at the offices of a Canadian Chartered Bank at 44 King Street West, Toronto, Ontario, excepting that amounts totalling at any one time not in excess of \$25,000 may be kept in the bank accounts of the Fund. Upon receipt of written instructions signed by such one or more persons as are authorized from time to time by a resolution of the Board of Directors of the Fund, the Custodian (a) pays for and receives all securities purchased for the account of the Fund; (b) exchanges securities held for the account of the Fund for other securities in connection with any reorganization, recapitalization, merger, consolidation, split of shares, change of par value, conversion or otherwise; and (c) makes delivery of securities sold for the account of the Fund upon receipt of payment therefor.

### **(f) Registrar and Transfer Agent Responsibility**

By agreement dated November 16, 1967, United Investment Services Ltd. will act as registrar and transfer agent for the Fund in the city of Toronto.

By agreement dated December 4, 1967, Canada Permanent Trust Company will act as branch registrar and transfer agent for the Fund in the cities of Montreal, Halifax, Winnipeg, Calgary and Vancouver.

## **PART VI—DISTRIBUTION**

### **(a) Exclusive Distributors**

The Fund entered into Agreements each dated the 16th day of November, 1967 with United Investment Services Ltd. with head office and principal place of business at 85 Richmond Street West, Toronto, Ontario and with United Investment Services (Quebec) Ltd. with head office at 1210 Sherbrooke Street West, Montreal, Quebec, and principal place of business in Ontario, at 85 Richmond Street West, Toronto, appointing the former as exclusive distributor for its mutual fund shares except for the Province of Quebec and appointing the latter company as exclusive distributor throughout the Province of Quebec. The distributors each have their own sales force which obtains offers to purchase mutual fund shares or applications for plans and programmes for the purchase of mutual fund shares. The offers and applications together with any payments in respect thereof are usually sent directly to United at its principal place of business in Toronto. The offering price of shares is the net asset value per share then in effect together with the acquisition charges of United as established in this prospectus. It is the intention of the Fund and of United to offer the mutual fund shares in continuous offering.

### **(b) Directors and Officers of the Distributors**

The Directors and Officers of United Investment Services Ltd. are as follows:

*Chairman of the Board and Director, Chauncey Lockhart Waddell; President and Director, Gordon Ernest Eddolls; Vice-President—Administration and Director, John William Galbraith; Vice-President and Director, Mrs. Monica Firminger; other Directors, Rodney Stewart Craik Donald, Alexander McDougall McBain, Joe Jack Merriman, Peter Noel Hickey, John Morrow Godfrey, Q.C.; Secretary, Stanley Roy Anderson; Treasurer, William Roy Miller; Assistant Secretaries, Alan Clifford Ryan, Gunter Willy Georg Neumann, Evelyn Grace Scott; Assistant Treasurers, Frank Garth Collins and Boyd Wycher Haan; Resident Vice-Presidents, Cyril Scotthorn Newton, Ronald Gilbert Johnston, Byron Elmer Jones, Mark Victor Anders, Donald Henry Waterbury.*

The Directors and Officers of United Investment Services (Quebec) Ltd. are as follows:

*President and Director*, Gordon Ernest Eddolls; *Vice-President—Administration and Director*, John William Galbraith; *Vice-Presidents and Directors*, Mrs. Monica Firminger, Peter Noel Hickey; *other Directors*, Alexander McDougall McBain, Chauncey Lockhart Waddell; *Secretary*, Stanley Roy Anderson; *Treasurer*, William Roy Miller; *Assistant Secretaries*, Mrs. Nicole Edwards, Gunter Willy Georg Neumann, Alan Clifford Ryan, Evelyn Grace Scott; *Assistant Treasurers*, Frank Garth Collins and Boyd Wycher Haan.

All of the foregoing with the exception of Mrs. Monica Firminger, Peter Noel Hickey, Alan Clifford Ryan, Gunter Willy Georg Neumann, Mrs. Nicole Edwards, Boyd Wycher Haan, Cyril Scotthorn Newton, Ronald Gilbert Johnston, Byron Elmer Jones, Mark Victor Anders and Donald Henry Waterbury are Directors or Officers of the Fund or the Manager and information regarding them is set out in Part IV (b) and Part V (b) hereof.

Mrs. Monica Firminger resides at 8 Maureen Drive, Willowdale, Ontario. Peter Noel Hickey resides at 21082 Lakeshore Road, Baie d'Urfe, Quebec. Alan Clifford Ryan resides at 2126 Haygate Crescent, Clarkson, Ontario. Gunter Willy Georg Neumann resides at 108 Hadrian Drive, Rexdale, Ontario. Mrs. Nicole Edwards resides at Apartment No. 7, 3360 Ridgewood, Montreal, Quebec. Boyd Wycher Haan resides at 2458 Padstow Crescent, Clarkson, Ontario. Cyril Scotthorn Newton resides at 4611 Marguerite Street, Vancouver, B.C. Ronald Gilbert Johnston resides at 40 Geraldton Crescent, Willowdale, Ontario. Byron Elmer Jones resides at 203-204 Devonshire House, Rideau Towers, Calgary, Alberta. Mark Victor Anders resides at 549 Arlington Boulevard, Burlington, Ontario. Donald Henry Waterbury resides at 147 Kenilworth Avenue, Ottawa, Ontario.

## PART VII—ADDITIONAL INFORMATION

### (a) Prior Sales

This prospectus does not amend the provisions of any agreement, including investment plans for the purchase of shares of the Fund, entered into on the basis of a previous prospectus filed with a regulatory body in the jurisdiction where the purchaser was located at the time of entering into such agreement.

### (b) Shareholder Rights

The respective voting rights, preferences, conversion and exchange rights, rights to dividends, profits or capital of each class of shares including redemption rights and rights on liquidation or distribution of capital assets of each class of shares of the capital stock of the Fund are as follows:

- (a) Each mutual fund share and each common share shall entitle the holder thereof to one (1) vote at all meetings of shareholders of the Fund.
- (b) Mutual fund shares and common shares shall rank equally with respect to any and all payments made to shareholders of the Fund by way of dividends. Upon any payment made to shareholders of the Fund by way of distribution of capital, the holders of common shares shall only be entitled to the amount paid up thereon.
- (c) Common shares shall not be subject to redemption or purchase for cancellation.
- (d) Fractional shares shall carry and be subject to the rights, limitations and conditions respectively applicable to the whole shares in the proportions which they bear to one (1) share.

### **(c) Supplementary Letters Patent**

By Supplementary Letters Patent dated December 20, 1967 the authorized capital of the Fund was increased by the creation of an additional 9,000,000 mutual fund shares and 5 common shares and reduced by the cancellation of 5 outstanding common shares and the Board of Directors was authorized to fix as a date of record for shareholders entitled to vote at a meeting of shareholders a date not more than 45 days preceding such meeting.

### **(d) Purchaser's Statutory Right of Withdrawal and Rescission**

The attention of purchasers in the Provinces of Ontario, Alberta and Saskatchewan of any of the securities offered by this Prospectus is drawn to certain provisions of relevant legislation, namely: The Securities Act, 1966 (Ontario), The Securities Act, 1967 (Alberta), The Securities Act, 1967 (Saskatchewan) and the Securities Act, 1967 (British Columbia).

Sections 61 and 62 of the Securities Act, 1967 (British Columbia) provides in effect, that where a security is offered to the public in the course of primary distribution,

(a) a purchaser has a right to rescind a contract for the purchase of a security, while still the owner thereof, if a copy of the last prospectus, together with financial statements and reports and summaries of reports relating to the securities as filed with the British Columbia Securities Commission, was not delivered to him or his agent prior to delivery to either of them of the written confirmation of the sale of the securities. Written notice of intention to commence an action for rescission must be served on the person who contracted to sell within 60 days of the date of delivery of the written confirmation, but no action shall be commenced after the expiration of three months from the date of service of such notice;

(b) a purchaser has the right to rescind a contract for the purchase of such security, while still the owner thereof, if the prospectus or any amended prospectus offering such security contains an untrue statement of a material fact or omits to state a material fact necessary in order to make any statement therein not misleading in the light of the circumstances in which it was made, but no action to enforce this right can be commenced by a purchaser after expiration of 90 days from the later of the date of such contract or the date on which such prospectus or amended prospectus is received or is deemed to be received by him or his agent.

Reference is made to the said Act for the complete text of the provisions under which the foregoing rights are conferred.

The Securities Acts of Ontario, Alberta and Saskatchewan provide in effect purchasers affected thereby with the same rights as are shown in paragraph (b) above of the British Columbia provisions and further provide such purchasers with the right to withdraw from any agreement of purchase if written or telegraphic notice evidencing the intention of the purchaser not to be bound by the agreement of purchase is received by the vendor not later than midnight on the second business day after the prospectus or amended prospectus is received by the purchaser or his agent.

The full text of the respective statutory provisions summarized above are contained in Sections 63 and 64 of The Securities Act, 1966 (Ontario), Sections 63 and 64 of The Securities Act, 1967 (Alberta) and Sections 70 and 71 of The Securities Act, 1967 (Saskatchewan).

### **(e) Principal Holders of Securities**

As of February 29, 1968 the distribution of shares of each of the Fund, of the Manager and of the Distributors held by any one shareholder holding more than 10% of any class of each such corporation's shares was as follows:

Name and Address of Shareholders	Name of Corporation	Issuer or Relationship to Issuer	Designation of Class	Type of Ownership	Number of Shares owned	Percent of Class
Waddell & Reed, Inc. 20 W. 9th Street Kansas City, Missouri	United Funds Management Ltd. 44 King St. W. Toronto, Ontario	Manager	Common	Beneficial and of Record	1,000,000	80%
United Funds Management Ltd. 44 King St. W. Toronto, Ontario	United Investment Services Ltd. 85 Richmond St. W. Toronto, Ontario	Principal Distributor	Common	Beneficial and of Record	252,500	100%
United Investment Services Ltd. 85 Richmond St. W. Toronto, Ontario	United Investment Services (Quebec) Ltd. 1210 Sherbrooke St. W., Montreal, Quebec	Principal Distributor	Common	Beneficial and of Record	5,000	100%

The following are the names of every person having an interest, either directly or indirectly, to the extent of not less than 5%, in the capital of United Investment Services Ltd. and United Investment Services (Quebec) Ltd.; Chauncey L. Waddell, Joe Jack Merriman and William W. Laird.

As of February 29, 1968, the directors and senior officers of the Manager as a group, owned 10% of its common shares.

#### (f) Contracts

Copies of all contracts referred to in this prospectus may be inspected at the offices of United Investment Services Ltd., 85 Richmond Street West, Toronto, Ontario during office hours when United is open for business.

### PART VIII—ACCOUNTING, PORTFOLIO AND FINANCIAL STATEMENTS

#### (a) Auditors

The auditors of the Company are Clarkson, Gordon & Co., Chartered Accountants, 15 Wellington Street West, Toronto.

#### (b) Capital

As of February 29, 1968 the share capital of the Fund was as follows:

Authorized:

12,000,000 mutual fund shares of \$1.00 par value each.

1,000 common shares of \$1.00 par value each.

Outstanding:

2,827,010 mutual fund shares.....	\$2,827,010
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**UNITED VENTURE FUND LTD.**  
**INVESTMENT PORTFOLIO—November 30, 1967**

	<u>Number of Shares</u>	<u>Average Cost</u>	<u>Market Value</u>
<b>Common Stocks:</b>			
AEROSPACE: 2.17%			
Wyman & Gordon Company (a) (b).....	25	\$ 8,142	\$ 7,689
AIRLINES: 4.60%			
Capitol International Airways Inc. (a) (b).....	200	5,632	3,966
Overseas National Airways Inc. (a) (b).....	400	<u>11,087</u>	<u>12,357</u>
		<u>16,719</u>	<u>16,323</u>
COMMUNICATIONS AND ENTERTAINMENT: 13.48%			
CHUM Ltd.—Class A.....	1,000	10,500	19,750
Famous Players Canadian Corporation Ltd.....	250	9,400	10,000
General Cinema Corporation (a).....	200	5,878	7,582
Twentieth Century-Fox Film Corporation (a).....	400	8,614	10,362
Twentieth Century-Fox Film Corporation rights (a).....	400	—	95
		<u>34,392</u>	<u>47,789</u>
ELECTRONICS: 11.51%			
Magna Electronics Corporation Ltd.....	500	4,975	9,125
Memorex Corporation (a) (b).....	60	9,848	12,271
Mohawk Data Sciences Corp. (a).....	100	<u>18,419</u>	<u>19,426</u>
		<u>33,242</u>	<u>40,822</u>
FOOD AND MERCHANDISING: 6.08%			
Bohack (H.C.) Company Inc. (a).....	200	7,391	5,018
Harvey's Foods Ltd. (b).....	1,142	<u>5,452</u>	<u>16,559</u>
		<u>12,843</u>	<u>21,577</u>
METALS AND MINING: 6.28%			
The Beryllium Corporation (a).....	100	5,330	3,804
Leitch Gold Mines Ltd.....	1,000	5,255	9,450
Susquehanna Corporation (a) (b).....	200	<u>10,702</u>	<u>9,011</u>
		<u>21,287</u>	<u>22,265</u>

Forward

**UNITED VENTURE FUND LTD.**  
**INVESTMENT PORTFOLIO—November 30, 1967**

	<u>Number of Shares</u>	<u>Average Cost</u>	<u>Market Value</u>
<b>Common Stocks (continued):</b>			
MISCELLANEOUS: 23.71%			
APL Corporation (a).....	300	\$ 9,758	\$ 8,499
Beeline Fashions Inc. (a) (b).....	200	6,253	4,883
French Petroleum Company of Canada Ltd.....	1,500	9,688	9,450
French Petroleum Company of Canada Ltd. rights.....	1,500	—	960
General Impact Extrusions Ltd. (b).....	500	2,875	5,750
Gulton Industries Inc. (a).....	200	6,857	12,141
Itek Corporation (a).....	86	7,581	13,841
I.T.L. Industries Ltd.....	600	5,270	7,425
Kalvar Corporation (a) (b).....	25	5,938	6,206
Masco Corporation (a).....	100	2,612	4,560
Medtronic Inc. (a) (b).....	200	8,974	10,360
		<u>65,806</u>	<u>84,075</u>
TOTAL COMMON STOCKS: 67.83%.....		<u>192,431</u>	<u>240,540</u>

**Convertible Debentures: 1.93%**

	<u>Par Value</u>
Monogram Industries Inc., 4%, September 1, 1992 (a) (b).....	U.S. \$5,000
	<u>5,374</u>
	<u>\$197,805</u>
	<u>6,853</u>
	<u>\$247,393</u>

**NOTES:**

- (a) Securities issued by companies incorporated in jurisdictions outside Canada. Average cost of such securities is stated in Canadian dollars and is calculated by using the prevailing exchange rate on the date the shares were purchased. Market value of such securities has been converted into Canadian funds at the closing rate of exchange at November 30, 1967.
- (b) Securities for which the market value is based on closing over-the-counter prices. The market value for all other securities set forth above is based on the closing price on November 30, 1967 reported by the principal security exchange on which the issue is traded or if there was no sale during that day, at the average of the closing bid and ask prices.

**UNITED VENTURE FUND LTD.**

(Incorporated under the laws of Canada)

**ASSETS AND LIABILITIES**

November 30, 1967

**Assets**

Investment securities at market value (average cost \$197,805).....	\$247,393
Cash.....	125,750
Dividends and interest receivable.....	329
	<u>373,472</u>

**Liabilities**

**ACCOUNTS PAYABLE:**

Investment securities purchased.....	18,422
Management fee due to parent company, United Funds Management Ltd.....	426
Net assets applicable to 83,180 capital shares outstanding equivalent to \$4.26 per mutual fund share.....	<u>\$354,624</u>

**CAPITAL SHARES AND SURPLUS**

November 30, 1967

**CAPITAL SHARES (note 2):**

Authorized—

3,000,000 mutual fund shares of \$1.00 par value each  
1,000 common shares of \$1.00 par value each

Outstanding—

83,175 mutual fund shares..... \$ 83,175  
5 common shares..... 5

**SURPLUS:**

Paid-in surplus.....	166,815
Realized gain on sale of investments.....	55,041
Total capital shares and surplus.....	305,036
Unrealized appreciation of investments.....	<u>49,588</u>

\$354,624

On behalf of the Board:

ALEX. McD. MCBAIN, Director

RODNEY S. C. DONALD, Director

See accompanying notes.

# UNITED VENTURE FUND LTD.

## STATEMENT OF INCOME AND EXPENSE

For the Period from November 14, 1966 (date of incorporation) to November 30, 1967

### INCOME:

Dividends.....		\$ 1,396
Interest.....		46
		<u>1,442</u>

### EXPENSE:

Management fees (note 3):		
Total management fee.....	1,667	
Less portion thereof charged against realized gain on sale of investments....	329	
	<u>1,338</u>	
Foreign taxes withheld.....	104	<u>1,442</u>
NET INCOME FOR THE PERIOD.....		<u>\$ Nil</u>

## STATEMENT OF CHANGES IN NET ASSETS

For the Period from November 14, 1966 (date of incorporation) to November 30, 1967

Net assets, November 14, 1966.....		\$ Nil
Changes during the year:		
Income for period.....		Nil
Capital—(note 2)		
Proceeds from the sale of 5 common shares.....	5	
Proceeds from the sale of 83,175 mutual fund shares.....	<u>249,990</u>	249,995
Realized gain on sale of investments:		
Proceeds from sales.....	132,526	
Aggregate cost.....	<u>77,156</u>	
	55,370	
Less portion of management fee in excess of net income for the period (note 3).....	<u>329</u>	55,041
Unrealized appreciation of investments.....		<u>49,588</u>
Net assets November 30, 1967, represented by:		<u>354,624</u>
Capital shares.....		83,180
Paid-in surplus.....		166,815
Realized gain on sale of investments.....		55,041
Unrealized appreciation of investments.....		<u>49,588</u>
		<u>\$354,624</u>

See accompanying notes.

# UNITED VENTURE FUND LTD.

## NOTES TO FINANCIAL STATEMENTS

November 30, 1967

1. The fund was incorporated on November 14, 1966 but did not commence business until December 30, 1966.
2. During the period ended November 30, 1967, 5 common shares and 83,175 mutual fund shares were issued for cash aggregating \$249,995 of which \$83,180, equivalent to the par value of the shares sold, was allocated to share capital and the balance, \$166,815 to paid-in surplus. The mutual fund shares are redeemable at the option of the shareholder at their net asset value. The Company intends to cancel the 5 outstanding common shares and to increase the authorized capital by the creation of an additional 9,000,000 mutual fund shares and 5 common shares.
3. Management fees payable to United Funds Management Ltd. have been computed on the basis of 1% per annum of the average daily net assets. In accordance with the company's policy, the amount of the management fees in excess of net income for the period has been deducted from realized gain on sale of investments.

For these fees United Funds Management Ltd. pays all expenses of the Fund incurred in the ordinary course of business relating to its organization, management and operation with the exception of the commissions and brokerage fees on the purchase and on the sale of securities in the portfolio and the transfer taxes and taxes of all kinds to which the fund is or might be subject.

## AUDITORS' REPORT

To the Directors of

UNITED VENTURE FUND LTD.:

We have examined the statements of assets and liabilities, capital shares and surplus and investment portfolio of United Venture Fund Ltd. as at November 30, 1967 and the related statements of income and expense and changes in net assets for the period from November 14, 1966 (date of incorporation) to November 30, 1967. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances. Securities owned at November 30, 1967 were verified by confirmation received directly from the custodian or from brokers in respect of securities purchased but not received.

In our opinion, these statements present fairly the financial position and investment portfolio of the fund as at November 30, 1967 and the results of its operations for the period then ended, in accordance with generally accepted accounting principles consistently applied.

Toronto, Canada,  
December 8, 1967.

CLARKSON, GORDON & Co.  
*Chartered Accountants.*

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by Part VII of the Securities Act, 1967 (British Columbia), Part 7 of The Securities Act, 1967 (Alberta), Part VIII of The Securities Act, 1967 (Saskatchewan), Part VII of The Securities Act, 1966 (Ontario), section 13 of the Securities Act (New Brunswick), the Securities Act (Quebec), and by the respective regulations made under said Acts, and there is no further material information applicable other than in the financial statements or reports where required or exigible.

Dated March 25, 1968.

(signed) JOHN M. GODFREY  
President—Chief Executive Officer

(signed) JOHN WM. GALBRAITH  
Vice-President—Chief Financial Officer

On behalf of the Board of Directors

(signed) ALEX. McD. MCBAIN  
Director

(signed) GORDON E. EDDOLLS  
Director

#### Directors

ALEXANDER McDougall MCBAIN  
JOHN MORROW GODFREY  
RODNEY STEWART CRAIK DONALD  
CHAUNCEY LOCKHART WADDELL  
JACQUES DE BILLY  
JOSEPH MAURICE RICHARD CORBET  
MAURICE DÉSY  
GORDON ERNEST EDDOLLS

HORACE JOHN FRASER  
HENRY RUTHERFORD JACKMAN  
WALTER CHARLES KOERNER  
ROBERT FRANCIS LYNCH  
GRAHAM MARTIN MACLACHLAN  
DONALD McINNES  
JOE JACK MERRIMAN  
GEORGE HENRY SELLERS

By his signature affixed below, Rodney S. C. Donald has, pursuant to powers of attorney duly executed and in his own right signed this prospectus on behalf of all the Directors of United Venture Fund Ltd.

(signed) RODNEY S. C. DONALD

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by Part VII of the Securities Act, 1967 (British Columbia), Part 7 of The Securities Act, 1967 (Alberta), Part VIII of The Securities Act, 1967 (Saskatchewan), Part VII of The Securities Act, 1966 (Ontario), section 13 of the Securities Act (New Brunswick), the Securities Act (Quebec), and by the respective regulations made under said Acts, and there is no further material information applicable other than in the financial statements or reports where required or exigible. In respect of matters which are not within our knowledge we have relied upon the accuracy and adequacy of the foregoing.

(Exclusive Distributor outside Quebec)  
UNITED INVESTMENT SERVICES LTD.

by (signed) JOHN WM. GALBRAITH

(Exclusive Distributor in Quebec)  
UNITED INVESTMENT SERVICES (QUEBEC) LTD.

by (signed) JOHN WM. GALBRAITH





### **United Venture Fund Ltd.**

44 King Street West  
Toronto, Ontario

#### **INVESTMENT MANAGER**

UNITED FUNDS MANAGEMENT LTD.  
44 King Street West  
Toronto, Ontario

#### **EXCLUSIVE DISTRIBUTOR**

UNITED INVESTMENT SERVICES LTD.  
85 Richmond St. West  
Toronto, Ontario

UNITED INVESTMENT SERVICES (QUEBEC) LTD.  
1210 Sherbrooke Street West  
Montreal, Que.

#### **LEGAL COUNSEL**

CAMPBELL, GODFREY & LEWTAS  
Toronto, Ontario

#### **AUDITORS**

CLARKSON, GORDON & Co.  
Toronto, Ontario

#### **REGISTRAR AND TRANSFER AGENT**

UNITED INVESTMENT SERVICES LTD.  
Toronto, Ontario

#### **BRANCH REGISTRAR AND TRANSFER AGENT**

CANADA PERMANENT TRUST COMPANY  
Montreal, Halifax, Winnipeg, Calgary and Vancouver

#### **CUSTODIAN FOR SECURITIES**

A CANADIAN CHARTERED BANK  
44 King Street West  
Toronto, Ontario

A MUTUAL FUND

INVESTING IN SHARES OF  
COMPANIES WITH UNUSUALLY  
HIGH GROWTH POTENTIAL

*United  
Venture  
Fund Ltd.*

This Prospectus is not to be construed as a public offering of these shares for sale in the United States of America or in the territories or possessions thereof.

MARCH 25, 1968